



# ***Daily Report***

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## **China**

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# Daily Report

## China

FBIS-CHI-90-071

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12 April 1990

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### UK Nationality Decision Criticized

OW1204104290 Beijing XINHUA in English  
1032 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—A Chinese Foreign Ministry spokesman stressed here today that the British Government has no right to settle unilaterally the nationality status of the Hong Kong Chinese citizens.

Speaking at the weekly news briefing today, Li Jinhua made the following remarks on this issue:

"The Chinese Government has time and again made clear its solemn stand against the unilateral decision of Britain to change the nationality of some of the Hong Kong Chinese citizens. However, in disregard of the just demand of the Chinese side, the British side has intransigently submitted 'The British Nationality (Hong Kong) Act 1990' to the parliament. The Chinese Government naturally cannot ignore such serious breach by the British side of its solemn commitment and the relevant agreements reached between China and Britain.

"The Chinese Government hereby reiterates once again that all the Hong Kong Chinese compatriots, with or without British dependent territory citizen passports, are Chinese citizens. The nationality status of the Hong Kong Chinese compatriots can only be determined in accordance with China's nationality law. This is a matter within the scope of China's sovereignty. The British Government has no right to settle unilaterally the nationality status of the Hong Kong Chinese citizens. While reserving the right to take corresponding measures vis-a-vis the above-mentioned erroneous practice of the British side, we still hope the British side will set store by the overall interests of the relations between the two countries and refrain from doing anything detrimental to the gradually improving Sino-British relations."

#### Yang Shangkun To Visit Latin America

OW1204090490 Beijing XINHUA in English  
0844 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—Chinese President Yang Shangkun will pay a state visit to the United States of Mexico, the Federative Republic of Brazil, the Oriental Republic of Uruguay, the Republic of Argentina and the Republic of Chile, starting from mid-May 1990, said a spokesman of the Chinese Foreign Ministry here today.

At the weekly news briefing here this afternoon, the spokesman said that President Yang is invited by President Carlos Salinas de Gortari of Mexico, President Fernando Collor de Mello of Brazil, President Luis Alberto Lacalle of Uruguay, President Carlos Saul Menem of Argentina and President Patricio Aylwin Azocar of Chile.

### Central African President To Visit

OW1204094790 Beijing XINHUA in English  
0854 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—General Andre Kolingba, president of the Republic of Central Africa, will pay an official visit to China from 16 to 20 April 1990 at the invitation of Chinese President Yang Shangkun.

This was announced by a spokesman from the Chinese Foreign Ministry at the weekly news briefing here this afternoon.

### 20th FAO Session To Convene

OW1204094390 Beijing XINHUA in English  
0912 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—The 20th Session of the Asian and Pacific Region of the United Nations Food and Agriculture Organization (FAO) will be held here from April 23 to 27, a Chinese Foreign Ministry spokesman announced here today.

The 33 member states of the FAO in the Asian and Pacific region will send ministerial delegations to attend the meeting, and more than 20 international organizations and some countries from other regions will also be represented at the meeting as observers, the spokesman said at a weekly news briefing.

Chinese Agricultural Minister He Kang will participate in the session as the head of the Chinese delegation, the spokesman said.

### UN Economic Session Scheduled

OW1204095490 Beijing XINHUA in English  
0910 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—China will send a delegation to attend the special session of the UN General Assembly, relating to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries.

The session will be held from 23 to 28 April 1990 in New York.

The Chinese delegation will be led by Zheng Tuobin, Chinese minister of the foreign economic relations and trade. Ambassador Li Luye, China's permanent representative to the UN, will be the deputy leader of the delegation.

### Editorial Views U.S.-USSR May Summit

HK1204100290 Hong Kong WEN WEI PO in Chinese  
12 Apr 90 p 2

[Editorial: "The United States and the Soviet Union Will Hold Another Summit"]

[Text] Last week, the United States and the Soviet Union announced that President Bush and President Gorbachev will hold a summit from 30 May to 3 June in Washington.

The fact that in less than half a year after the Malta Summit the two superpowers are to hold another "highest-level meeting arranged in a hurry," as *TIME* calls it, explains that when the international pattern, especially the European pattern, is changing, it is an urgent need for the United States and the Soviet Union to hold talks on the protection of their own strategic interests, to ask concessions from each other, or to reach a compromise.

The present European pattern is still the product of the Yalta structure. However, this pattern has obviously become relaxed since last autumn and it possesses two characteristics: First, the East European bloc headed by the Soviet Union is beginning to disintegrate but has not collapsed. Being a country with a union system, the Soviet Union appears to be breaking up. Second, with the speeding up of the unification of the two Germans, the Yalta structure will probably collapse in the end.

The relaxing of the European pattern is inseparable from the "new idea" in Soviet diplomacy. This is favorable to its interests in some respects and unfavorable in others. On the one hand, the Soviet Union will be able to get rid of the difficulty in which it mainly trades with members of the Council of Mutual Economic Assistance [CEMA]. On the other hand, once the CEMA disintegrates, the Warsaw Pact will probably follow suit as well. This will greatly influence the Soviet Union's strength in Europe, and the "horrible balance" in Europe will no longer exist. This is unfavorable to the Soviet Union but is favorable to the United States because the U.S. strategic attitude toward Europe will not be influenced to a great extent. On the contrary, given this opportunity, the United States will be able to strengthen exchanges in the aspects of "personnel, capital, goods, and ideas" in Eastern Europe.

Although it is impossible to bring about the unification of Germany overnight, this is the trend of the times. The United States insists that when Germany is unified it must remain in NATO. The Soviet Union however, out of its need to protect its interests, had opposed this vehemently. Nonetheless, Soviet Foreign Minister Shevardnadze made concessions in this significant matter, when discussing the particulars of the summit, which is to be held in May, with the U.S. secretary of state. By so doing, the Soviet Union has not reduced the price unilaterally because the United States has also offered something in return, that is, despite the daily mounting pressure coming from the congress and the press, President Bush "felt sympathy for Lithuania but did not recognize" its independence, thus supporting Gorbachev's efforts in suppressing the demand for independence by the three small constituent republics in the Baltic. If the United States does not take the lead, no Western countries will take action rashly. This is the direct reason for the urgent arrangement of the summit,

which is to be held this May. Both the United States and the Soviet Union have made concessions.

Nevertheless, the United States and the Soviet Union still differ greatly in the manner of arms control, which is the most decisive to their relations. It seems that it is less likely for them to sign any agreement on arms reduction in Washington within the next month or so. As a matter of fact, whether the United States and the Soviet Union sign an agreement or not, it is certain that they will reduce the amount of ammunition while improving their quality.

Under the changing and unpredictable European situation, the Soviet Union makes concessions by reducing its strength while it still intends to maintain the Yalta structure in the hope that it will not disintegrate or, at least the process of disintegration can be controlled. In response to the changes in Eastern Europe and the Soviet Union, the United States and its Western allies were first happy and then became doubtful, because no one knows how the new balance of power will be established when the old one is shattered. In view of this, in handling the matter of "new Europe," which has been frequently discussed by all sides, the U.S. President and the Soviet president must explore the question on "ensuring the structure for the safety of Europe as a whole" as Shevardnadze calls it. Under this context, how the U.S.-Soviet summit helps shape the future pattern of Europe is worthy of our attention.

#### Article Views U.S.-Japanese Trade Relations

HK1104134690 Beijing RENMIN RIBAO in Chinese  
7 Apr 90, p 7

[Article by Zhang Yunwen (1728 033, 2924): "Trade Conflicts Have Intensified U.S.-Japanese Contradictions"]

[Text] Following four rounds of unofficial negotiations, the United States and Japan have entered into official negotiations on removing trade barriers between them in terms of structure. So far no major breakthroughs have yet been made in the negotiations, which are aimed at putting an end to the longstanding imbalance of trade between the two countries. In addition to this, not much headway has been made in the negotiations on demolishing trade barriers on some individual items. Provided no noticeable results are achieved by 16 July this year, the United States will adopt some retaliatory measures. With the deadline of the negotiations drawing near, both sides have a strong sense of urgency.

The trade dispute between the United States and Japan is of longstanding. However, what merits our attention is the fact that along with the multipolar development of the international structure, the relaxation of the East-West relations, the sharp competitions among different nations in the economic area and the perpetual accumulation of foreign debts on the U.S. side, U.S.-Japanese trade conflicts have intensified contradictions between the two nations especially after the coming of the 1990's.

U.S. trade deficits against Japan have stood at about \$50 billion for four years running, accounting for almost 50 percent of the U.S.' total deficits. Quoting the U.S. commercial secretary, such trade deficits are of "half-eternal" nature. The appearance of such a situation is mainly due to Japanese trade barriers and also due to high consumption and low accumulation in the United States and the declining competition of the quality of its products. In order to wipe out the "alarming deficits" in its trade with Japan, the United States held negotiations with Japan on abolishing tariff barriers and readjusting exchange rates, and they are now carrying on negotiations on removing trade barriers between them in terms of structure. In 1988 the U.S. Congress passed the Comprehensive Trade Act, calling for retaliation against nations which engage in unfair trade with the United States.

Unlike previous trade negotiations, the ongoing official negotiations on removing trade barriers in terms of structure involve the legal, social and cultural factors of the two countries. Both sides can only arrive at some temporary compromises due to great political pressure at home and it is hard for them to make any major commitments. For this reason, the United States and Japan will continue their frictions and haggles over the trade issue for a long time to come, which may become a constant factor generating tensions between the two countries.

In recent years, the dispute over U.S.-Japanese trade, being different from the previous one, has been clothed in increasing the color of emotion and the feelings of nationalism, this has increased some antagonistic factors in U.S.-Japanese relations.

Along with the accumulation of Japan's trade surplus, since the the middle of 1980's, Japanese capital "has intruded" into the United States on a large scale. A purchasing wind blown by the Japanese investors has hauled in the United States, purchasing a large number of real estates, such as skiing grounds in Alaska and pastures in Montana. The total amount of Japanese investment in the United States is far smaller than Britain but it has doubled in the past three years, totaling \$66 billion, surpassing the Netherlands and ranking second in the world. Its terrifying force has aroused the concern of the public in the United States.

With U.S.-Soviet relations relaxed, a public opinion poll in recent year has shown that more and more Americans believe that what threatens the national security of the United States is the Japanese economic strength and not the Soviet military force. In 1989 Japan published the book "Japan Which Dares To Say 'No'", coauthored by Akio Morita, general director of the Sony Company; and Tarochika Ishihara, a Liberal Democratic Party member in the Japanese House of Representative. Publication of the book evoked strong repercussions in the United States and "vibrated the present U.S.-Japanese relations." The book had good sales in Japan and more than one million copies were sold. The Pentagon translated the

book for internal reference and senior American officials vied with each other to read it. U.S. public opinion pointed out that the book "had made Japanese indignation and arrogance known to the world." Authors of the book blamed U.S.-Japanese trade frictions for American "prejudice against the yellow race," asked the government to refuse unreasonable U.S. demands," and even threatened and said that if Japan will sell chips to the Soviet Union, instead of the United States, then the balance of strength between the two superpower will be changed. The book does not represent the main current of Japanese public opinion but reflects the thinking of a considerable number of people, thus increasing antagonism between the two countries. Tensions stirred up by national feelings cannot be easily eased through negotiations.

Economic experts have made a different calculation of the economic prospects of the United States and Japan. U.S. trade deficits will still stand at \$100 billion and more in the 1990's. Even though the United States can have its wish fulfilled in the U.S.-Japanese trade negotiations, its trade deficits can only be cut down by \$20 to \$30 billion. Accumulated foreign trade deficits in the past few years has put the United States deeply in debt totaling to \$500 billion. It is estimated that the figure may increase to \$1,000 billion by 1995. When the day comes, even the interest per month will reach \$10 billion. Many experts forecast that U.S. economy will bring about its own decline sometime in the 1990's. Once economic recession appears, there will be much less room for the United States to change the situation because a wave of bankruptcy will hit a large number of companies which are over their heads in debt as a result of numerous companies being consolidated in the 1980's, and even financial circles can hardly escape the situation by sheer luck. It is predicted that the Japanese economic growth rate will not reduce sharply in the 1990's and its accumulated trade surplus will increase from \$350 billion to \$800 billion. Where will such a big amount of capital go to? How many trades in the world will be controlled by Japan? What position will Japan seek and what role will it play in the world affairs? Obviously, the United States is very concerned about these questions because they are related to its position and interests. It can be predicted that there will be more acute competition between the two nations in the economic and technological areas, and that trade conflicts will certainly be intensified.

Nevertheless, the United States and Japan mingle with each other in the economic area, the total volume of trade in commodities and labor services between the two nations has exceeded \$130 billion. Meanwhile, Japan has had more than 800 affiliated factories in the United States. The United States is a good market for Japanese electronic products, cars and other products while U.S. farm produce, civil airplanes and some other products depend largely on Japanese consumers. What is more important, the United States needs Japanese capital to make up 30 percent of its enormous financial deficits.



The two nations need each other from the strategic point of view. Therefore, the statement that the two nations will "bump together" is exaggerated. Both sides will make endless efforts to come to a compromise. An American expert in East Asian affairs describes the United States and Japan as a married couple not getting along well, but they will not be divorced. This macroscopic summing up is perhaps reasonable.

### **Commentary Views U.S.-Soviet 'Discordant Talks'**

*HK1104145790 Beijing RENMIN RIBAO in Chinese*  
*10 April 90 p 5*

["Commentary" by staff reporter Zhang Qixin (1728 0796 2500): "Discordant Talks Between Baker and Shevardnadze"]

[Text] Washington, 8 Apr (RENMIN RIBAO)—From 4 to 6 April Shevardnadze, Soviet foreign minister, visited Washington where he held talks with Baker, U.S. secretary of state, for three days. He also had a two-hour meeting with U.S. President Bush. This was the second round of talks between the Soviet foreign minister and his U.S. counterpart this year in preparation for the next U.S.-Soviet summit. The agenda for this last round of talks covered five aspects which are of concern to both sides, including arms control, the reunification of Germany, and some regional issues. The development of the situation in Lithuania over the past month has added some new problems to be discussed during the talks, distracting the attention of the two parties and casting a shadow on the relations between the two countries.

As compared with the previous rounds of talks, this last round did not proceed smoothly and the atmosphere was not harmonious. The two sides kept on disputing over quite a few issues. Although the two parties managed to fix the exact date for the next U.S.-Soviet summit and make some minor progress on some other issues, they failed to settle the unsolved problems regarding the strategic arms treaty and the conventional disarmament treaty. So this round of talks was not as successful as expected. Shevardnadze told a press conference that the three-day talks were "important and fruitful." But, on the same occasion, he admitted that some difficulties had arisen between the two sides during their discussion on the arms control issue. Baker on his part explicitly noted that the latest talks were "disappointing" because the two sides had failed to compromise on certain major issues concerning strategic arms.

Regarding the strategic arms issue, one of the most knotty problems concerns restrictions on sea-based cruise missiles. During last February's talks between the U.S. secretary of state and the Soviet foreign minister, the Soviet side seemed to have accepted a basic idea put forward by Baker that the two sides disclose the numbers of their own cruise missiles, without imposing any rigid restriction on the number of cruise missiles in the treaty or making any complicated verification thereof. But, during the latest round of talks, the Soviet side raised the issue again, actually rejecting the main points of Baker's

idea. The United States showed discontent at this attitude which it views as a shrinking back by the Soviet Union from its original stance. The two sides also have differences of opinion on another major question, that about the restrictions to be imposed on multi-warhead missiles. Although Shevardnadze told reporters in an optimistic tone that the two countries would be able to eliminate most of their differences at the talks to be held between him and his U.S. counterpart in mid-May, it is believed that it will be very difficult for his prediction to come true in the near future. The press here agree that the two sides will very likely reach an agreement on some general principles but leave certain issues to be followed up in future talks.

One thing that merits attention in this latest round of foreign ministerial talks is that heated debates broke out between the two sides on the Lithuanian issue, which was not on the agenda. The Soviet side insisted that the Lithuanian issue is the Soviet Union's internal affair which should be settled in compliance with the Soviet Constitution. But the U.S. side kept trying to exert pressure on the Soviet Union by raising the issue. Some people in the United States have a habit of making indiscreet remarks and criticizing other countries' internal affairs and forcing their own views on others. As far as the Lithuanian issue is concerned, some congressmen have taken a radical stand. The Senate and the House of Representatives have separately adopted resolutions urging the U.S. administration to take action as soon as possible to "normalize its diplomatic relations" with Lithuania. Some congressmen even declared that if the Soviet Union takes action against Lithuania, the Congress will take economic measures against it. U.S. interference has been opposed by the Soviet Union.

However, people have also noticed another outcome of this latest round of talks—the two sides managed to promptly fix an exact date for the next summit. During the U.S.-Soviet summit last December, the two sides agreed to hold an official summit by late June this year but did not confirm the exact date. For the time being the United States and the Soviet Union still have significant differences of opinion on the arms control issue and many problems have yet to be settled. But they still decided to advance the summit by a month—it has been confirmed that the summit will be held from 30 May to 3 June. Undoubtedly this is an arrangement convenient to both sides. But it is also true that both the U.S. and Soviet leaders, in view of the rapid changes in the current situation, hope to mitigate the conflicts and contradictions between them and to preserve the U.S.-Soviet relationship as it is through direct contact at the highest level. This seems to be a new tendency in the development of U.S.-Soviet relations.

### **HSIN WAN PAO Views Lithuanian Situation**

*HK1104095190 Hong Kong HSIN WAN PAO*  
*in Chinese 11 Apr 90 p 2*

["New Talk": "Because of the Summit the Lithuanian Situation Will Become Tense"]

[Text] Since the date of this year's summit between the United States and the Soviet Union was fixed, the Kremlin's attitude toward the problem of independence in Lithuania has apparently become strict. It seems that Gorbachev is racing against time and is trying to solve the Lithuanian issue before he meets U.S. President Bush, to prevent the United States from quibbling over this problem at the summit.

The summit is timed for 30 May through 3 June, a total of five days; 50 days from today. We must wait and see whether Gorbachev can use these 50 days well to calm the situation in Lithuania and to find a comparatively proper arrangement for the three Baltic republics demanding separation from the Soviet Union. Of course, the situation in Lithuania deserves prime attention.

Therefore, Gorbachev's speeches have become tougher. According to the latest information, when answering questions yesterday at a Communist Youth League meeting, he said that if internal disturbances break out in Lithuania he would exercise his newly acquired presidential power for direct administration in Lithuania.

People have seen television scenes of Lithuanian Russians demonstrating in support of Moscow on a certain day, followed by larger crowds of Lithuanians in the capital demanding independence the next day. This, plus the roaming Soviet Army trucks in the streets, the taking over of many organs by the military, and the distribution of leaflets by helicopter, has led to an extraordinary atmosphere.

The just-founded presidential commission in Moscow has also said that if Lithuania does not withdraw its independence declaration the central authorities will adopt more economic, political, and other measures to protect the Constitution and the interests of the citizens throughout the country.

Up to now the Lithuanians have not been totally subdued. They are willing to send a delegation to Moscow for talks and are willing to postpone the date for independence, but they have refused to withdraw the independence declaration. They have expressed disappointment in not seeing other countries recognizing the independence of Lithuania but, on the other hand, they also hope that these countries will continue to express support.

U.S. President Bush has the purpose of expressing support when he holds talks with the Western countries. He has gone to Canada for a 10-hour visit to Toronto and held talks with Canadian Prime Minister Mulroney. Although the talks were said to have been in preparation for the U.S.-Soviet summit and an occasion for soliciting opinion, in fact they served the purpose of gathering strength from various countries to exert pressure on the Soviet Union—warning the Soviet Union not to use force in Lithuania.

Two days later, Bush arrived in Bermuda for talks with British Prime Minister Thatcher and went to see French

President Mitterand. It is believed that the stand they want to make known on the Lithuanian problem has been the major topic.

The U.S. strategy is to use the Lithuanian problem to pin down the Soviet Union: If the Kremlin really resorts to force there, the summit scheduled for the end of May could be aborted. By doing this the United States has an additional trump card during the summit and a favorable position when discussing the disarmament issue and the Eastern European problem.

The pre-summit diplomatic battle between the United States and the Soviet Union has already started. During these 50 days the interactions between both sides and their activities will be as lively as they are bustling.

### Official 'Complains' About Trade Protectionism

OW1104125990 Beijing XINHUA in English  
1239 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—A Chinese official said here today that if the colossal trade deficit suffered by China for a long time in trade with the U.S. and the European Community (EC) continues to exist, the imbalance will be detrimental to sustained and stable growth of bilateral trade.

Xiao Zhiming, director of Legal Affairs Department of China Council for the Promotion of International Trade, said this at the opening meeting of the 4th general assembly of the Asia-Pacific Lawyers Association (APLA).

Xiao complained about U.S. and EC trade protectionism in his speech, saying that although trade relations between China and the U.S. and EC have developed dramatically over the past 10-odd years, they are still far from satisfactory, compared to related potentials.

He pointed out that in addition to reasons on China's side such as unmarketable commodities, late delivery, unfamiliar with markets' needs and conditions, the colossal trade deficit was caused mainly by the fact that the U.S. and EC placed barriers to restrict and stunt China's exporting to the two markets.

He said that though the U.S. has declared to grant China with "most favored nation treatment," unfortunately, the U.S. doesn't seriously follow the "principle of non-discriminatory treatment" envisaged in trade agreements and treat China as "a most favored nation."

He said by drafting the acts of a strong trade protectionist flavor, the U.S. Congress has imposed more restrictions on China's textiles, garments and other products for export to the United States. Consequently China's paying ability for imports from the U.S. has been weakened, he added.

He also complained that the EC doesn't totally grant China with developing nation treatment. All these are not

conducive to the normal development of economic and trade exchanges and technical cooperation, he said.

He said the shortage of foreign exchanges is a long-standing problem facing China, adding that only by expanding exports can China earn foreign exchanges to increase its imports.

He said the adoption of the U.S. Omnibus Trade and Competitiveness Act of 1988 has fortified trade protectionism. People of economic and trade circles in some countries worry that bricks and stones dismantled from the internal barriers in the EC will be used to build the external one.

Xiao said that China hopes to see the U.S. and EC can demolish custom and non-custom tariff barriers and grant more favorable treatments to China's exports.

### Asia-Pacific Lawyers Association Meeting Opens

#### Justice Minister Speaks

OW1104111490 Beijing XINHUA in English  
0905 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Chinese Minister of Justice Cai Cheng said here today that Chinese lawyers will continue to promote friendly contacts and cooperation with their counterparts in other countries.

Cai said this at the opening meeting of the 4th general assembly of the Asia-Pacific Lawyers Association (APLA) with 300 lawyers participating.

He said that in recent years China's lawyer system and the practice of the law have grown apace. China now has 3,644 law offices with a staff of 31,400 and over 300 of such offices deal with foreign economic cases, he added.

Apart from joining the International Lawyers Association and the Asia-Pacific Lawyers Association, he said, Chinese lawyers have established friendly contacts with lawyers organizations of dozens of countries.

APLA President Pyong Ho-yi said in his opening address that "China's decision will affect the world for the rest of the 20th century and well into the 21st century."

He said the meeting offered to the participants "an extraordinary opportunity to increase our understanding of this extraordinary nation."

He said that the meeting is "the first truly global meeting of lawyers to be held in China in many many years," adding that "it is a time to share our ideas and our dreams on how to further the basic purposes of APLA: To promote peace and the rule of law in our world."

Formed during the Asia-Pacific lawyers symposium held in Seoul in June 1984, the Asia-Pacific Lawyers Association now has some 3,000 members from 73 countries and regions of the world. China joined the association in 1987.

Present at today's opening meeting were Xi Zhongxun, vice-chairman of the Standing Committee of China's National People's Congress, Wu Xueqian, Chinese vice-premier, Chen Xitong, Chinese state councillor and also mayor of Beijing City.

Prior to the meeting, Xi Zhongxun, Wu Xueqian, Chen Xitong, Ren Jianxin, president of China's Supreme People's Court, Liu Fuzhi, procurator-general of China's Supreme People's Procuratorate, and Cai Cheng, Chinese minister of Justice, met with Pyong Ho-yi, APLA president, Kamnuan Chalopathamp, APLA vice-president, and Susan Liebler from the United States and O.P. Sharma from India.

### Elects New Vice Presidents

OW1104232890 Beijing XINHUA in English  
1525 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Susan Liebler from the United States and O.P. Sharma from India were elected vice presidents of the Asian-Pacific Lawyers Association (APLA) at its fourth annual meeting, which opened here today.

The APLA also decided to hold its next council meeting in November 1991 in India and its fifth annual meeting in December 1992 in Indonesia.

This evening, the organizing committee of the APLA hosted a dinner in the Great Hall of the People to welcome some 300 participants from various countries.

Present were Xi Zhongxun, vice chairman of the Standing Committee of China's National People's Congress, Wu Xueqian, Chinese vice premier, and Cai Cheng, Chinese minister of justice.

### Tourism Programs To Increase for Asian Games

OW1104230790 Beijing XINHUA in English  
1547 GMT 11 Apr 90

[Text] Shanghai, April 11 (XINHUA)—"China Travel Fair '90" will be held here while the Asian Games are being staged in Beijing in autumn this year.

Meanwhile, "China's best collection of cultural relics" will be organized in Beijing from next May to December, "China tourist shopping festival" in Beijing, Shanghai and Guangzhou from late September to early October, "China tourist art festival" in Guangzhou and a number of other similar activities.

The slogan of the fair, according to a spokesman with the National Tourism Administration, will be "China's Charm, Shanghai's Cheer."

Tourist agencies from all over the country will take part in the four-day fair, beginning October 7.

During the event, Shanghai's nine leading hotels, including the Hilton, Sheraton and Portman, will offer accommodation at a discount of 50 percent.



The situation of China's tourist industry was better than expected during the first quarter of the year. The number of Taiwan tourists rose 5.2 times compared to the corresponding period of last year.

China's travel agencies hosted 35,900 foreign tourists in February, some 1.4 percent more than in the same month last year, representing for the first time a turn from decline to growth since last June, according to the National Tourism Administration.

Tourists from Japan were the biggest number, followed by those from the United States, the Soviet Union, the Philippines and Britain.

Meanwhile, China has decided to issue qualification certificates to employees of tourism units, including hotels and travel services.

As of the beginning of 1993, nobody without such a certificate will be able to work in any tourism enterprise.

There are now 1,500 hotels for overseas tourists in China, including three five-star hotels, 15 four-star and 79 three-star ones.

#### **UN Scientific Advisory Body Meets in Guangdong**

OW1104164890 Beijing XINHUA in English  
1040 GMT 11 Apr 90

[Text] Guangzhou, April 11 (XINHUA)—The United Nations Scientific Advisory Committee has called for a strengthening of scientific exchange and cooperation among all countries.

Forty officials and noted scholars attended the 10th meeting of the committee held from April 2 to 10 in Zhuhai, Guangdong Province.

Discussion centered on creating scientific development programs based on local needs, international scientific cooperation and exchange, development of technology and environmental protection, desertification, and combining traditional and modern technology.

The participants also visited high-tech parks and factories in Zhuhai, Shenzhen, Guangzhou and Zhongshan Cities.

The United Nations Scientific Advisory Committee, consisting of decision makers and experts from 28 countries, meets every year to discuss issues with great international impact in the field of science and technology.

#### **UN, Italy To Help Train Rural Statisticians**

OW1104173290 Beijing XINHUA in English  
1054 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—The Food and Agriculture Organization of the United Nations (FAO)

and the Italian Government will help China train 4,000 rural statisticians over the next two years, according to the State Statistical Bureau.

Under the guidance of Chinese and foreign experts, these rural statisticians from across the country will learn the most advanced techniques and the latest developments in this field.

The project will be undertaken by the China Food and Agriculture Survey Center, a joint venture of the FAO and the Italian and Chinese Governments. Under the agreement, the FAO and the Italian Government will provide 4.98 million U.S. dollars for the center over the 1987-91 period to cover program's expenses.

The center has trained 97 rural statisticians since it was founded in 1987.

#### **Soviet Union**

#### **LIAOWANG Views USSR's Europe Policy**

HK1104133090 Beijing LIAOWANG in Chinese  
No 12, 19 Mar 90 p 41

["Special dispatch" from Moscow by LIAOWANG special correspondent Zhu Chengjun (4555 2110 6511): "Soviet Policy Toward Europe"]

[Text] The broad sweep on the Soviet diplomatic chessboard obviously "dips" toward the United States and Europe, which are related to as well as differ from each other.

The current Soviet Europe policy takes Gorbachev's "European home," put forward several years ago, as the guiding thought. Main elements in the thought are: drastic arms reductions and denuclearizing Europe; respect for the existing boundaries in Europe, and developing pan-European cooperation, particularly economic cooperation. The main purpose of this policy is reportedly to take advantage of relaxations in situations and arms reduction to gradually weaken U.S. influence in Western Europe and eventually exclude it from the continent.

Soviet commentators believe that the possibility for realizing the policy exists: First, the Soviet Union and many East European countries are carrying out reforms and contact with foreign countries has increased. This will widen the bases for further cooperation between the East and the West. Second, the signing between the Soviet Union and the United States of the Intermediate Nuclear Forces Treaty and its enforcement have marked the decline of nuclear confrontation in Europe, and the reduction of conventional forces and arms will make possible the elimination of an imbalance in armaments. Third, the process toward one Europe is quickening.

To create conditions for the "European home" and for East and West European countries to approach and adapt to each other, in recent years the USSR has been

adjusting its internal and external policies and has made many new suggestions: internally, power separation between the party and government, free elections, launching a multiparty system and the process of political pluralization and so on; economically, expanding the economic decisionmaking powers of union republics, the practice of independent auditing and profit and loss responsibility systems, expanding the scale and business operations of joint ventures; and externally, informing the world of the reduction of its national defense capability to a "reasonable and sufficient level," the suggestion of "national security being an integral part of general security," calling on the delegates of various European political forces to participate in "roundtable talks" and for the convocation of another Conference on Security and Cooperation in Europe. In foreign activities the USSR has increased considerably contact with West European state leaders. Last year Gorbachev successively visited Britain, the FRG, France and Italy, and the USSR played host to visits by key figures of these countries.

While the USSR was stepping up connections with Western Europe, there occurred violent political turmoil in a series of East European countries, shuffles of country leaders and rapid changes in situations. Meanwhile the Soviet Union was experiencing economic difficulties and increasingly sharper ethnic conflicts. All these have brought new topics to the Kremlin. Changes in Eastern Europe are both good and bad for the Soviet Union. Economically the West will share the burden of Eastern Europe, and its economic, trade and technological cooperation with Western Europe will expand. But militarily its frontier defense line will recede, further weakening its influence on Eastern Europe's politics.

The Soviet Union is greatly concerned about the current German unification issue. Last November West German Prime Minister Kohl proposed a "10-point plan" for the German unification problem. At that time the Soviet attitude was basically one of denial. It believed that, since the status-quo is a result of the Second World War and the status of the two Germanys was established with various treaties and agreements, at present it does not seem necessary to change the pattern. But the speed with which the two Germanys grew unified was unexpectedly rapid, and, given the situation, the Soviet Union adjusted its original position, now stating explicitly that "it will respect the decision of the German people" and that they have the right to be unified. However, the Soviet Union has attached the following conditions: First, the unified Germany should become "neutral." It cannot join NATO or upset the military and strategic balance between the Warsaw Pact and NATO. This requirement is aimed directly against the U.S. point of view. Second, the unified Germany must not be a threat to the interests of neighboring countries, and any kind of invasion of another country should be ruled out. Third, the progress of German unification should be organically linked to and synchronize with the progress of the entire

Europe; and the Soviet Union, the United States, Britain and France still carry responsibility for the German problem.

On the Soviet side, to turn Europe into a "common home," specific actions are required; and of all specific actions arms reduction occupies the foremost position. In December 1988 the Soviet Union decided to unilaterally cut 500,000 armed forces in two years, from 1989 to 1990, with the same amount of cuts in tanks, artillery and aircraft. The decision brought vigor to the long deadlocked Vienna conventional arms reduction talks, and in recent periods the Soviet Union has speeded up the pace of military withdrawal from Czechoslovakia and Hungary. In this way conditions are maturing for a treaty cutting conventional forces in Europe to be signed at this year's 35-nation Conference on Security and Cooperation in Europe.

The general Soviet design is to gradually resolve problems of cutting armed forces, conventional armaments in Europe and reduce West European countries' fear of Soviet military power through arms reduction talks. In Western jargon, the Soviet Union is willing to pay the price of massive arms reductions for closer political relations with the West. However, as the USSR still has close to 400,000 troops, 10,000 nuclear warheads, 8,207 frontline aircraft and over 140,000 tanks and armored vehicles, it is hard to imagine that the West would easily accept these "closer relations." There are still many difficulties ahead of Soviet targets.

To what degree the Soviet policy toward Europe will succeed depends not only on the attitude of the West, led by the United States, but also on Soviet internal situations. At present the USSR is suffering from turbulent political situations, shaky confidence, complicated internal struggle, sharp ethnic conflicts and a sliding economy. Under this situation there will be many difficulties for the Soviet Union in launching its diplomacy toward Europe.

### Heilongjiang Province Boosts Trade Exchange

OW1104144790 Beijing XINHUA in English  
1034 GMT 11 Apr 90

[Text] Harbin, April 11 (XINHUA)—Heilongjiang Province concluded barter trade contracts with the Soviet Union totalling a record 192.44 million Swiss francs in the first three months of this year.

Sino-Soviet border trade has been increasing steadily since 1983.

By the end of last year, the import and export trade volume totalled two billion Swiss francs.

A Heilongjiang official said imports were mainly steel products, cement, chemical fertilizer, timber and sea products while exports were mainly farm and sideline products including soybeans, light and textile products and other daily necessities.

Last year the province undertook 107 technical cooperation projects with the Soviet Union, up 570 percent over the previous year, and sent 13,000 people to the Soviet Union to engage in labor service, up 900 percent over the previous year. More than 15,000 people are expected to work in the Soviet Union this year.

#### **Friendship Medal Conferred on Writer Ba Jin**

OW1104212290 Beijing XINHUA in English  
1437 GMT 11 Apr 90

[Text] Shanghai, April 11 (XINHUA)—The Soviet Union conferred a friendship decoration on Ba Jin, a leading Chinese writer, here today.

The ceremony was held at his home, and the doyen of modern Chinese writers paid tribute to the influence of Russian literature on his own work.

F.N. Strok, consul general of the Soviet Union in Shanghai, conferred the decoration on Ba Jin, on behalf of the Presidium of the Supreme Soviet of the Soviet Union.

Strok said that Ba Jin is a household name among millions of Soviet readers. Many of his works, such as "Family", "Spring" and "Autumn", have been translated into Russian and are very popular.

Ba Jin said: "I am grateful to the Soviet people for the decoration, which brings back many memories of my visits to the Soviet Union in the 1950's."

He added: "I always remember that when I was 14 years old Russian literature awakened the soul of a Chinese youth. It made me love literature and crave friendship between peoples, and propelled me to keep the conscience of an artist in my writing career," he said.

Until today, the 86-year-old writer said, the 19th century Russian writer Leo Tolstoy remains his "beloved and respected teacher."

#### **Northeast Asia**

#### **Qian Hosts Luncheon for DPRK Counterpart**

OW1204095790 Beijing XINHUA in English  
0900 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—Chinese Foreign Minister Qian Qichen met and gave a luncheon here today for Kim Yong-nam, vice-premier and foreign minister of the Democratic People's Republic of Korea (DPRK).

Kim and his party arrived here yesterday in the middle of their home-bound journey, after visiting some African countries. They are scheduled to leave for home tomorrow.

#### **Japan's Kaifu Meets Friendship Delegation 9 Apr**

OW1104142590 Beijing XINHUA Domestic Service  
in Chinese 1610 GMT 9 Apr 90

[By reporter Jiang Zhanguo (1203 0594 0948)]

[Text] Tokyo, 9 Apr (XINHUA)—Japanese Prime Minister Toshiki Kaifu indicated here today that he would strive to develop Sino-Japanese relations.

Kaifu made the statement while meeting a delegation headed by Zhang Xiangshan, chief Chinese representative of the Committee for China-Japan Friendship in the 21st Century. The meeting took place at the prime minister's residence this evening.

When the meeting began, Kaifu repeatedly used Chinese language to ask the visitors to take their seats. He said: "I am glad to know that China's reform and open policies remain unchanged. Japan is willing to continue to cooperate with China for the sake of its modernization drive."

Kaifu pointed out that the development of Japan-China relations not only is in the interest of both countries, but also is very essential for peace in the Asia-Pacific region.

Chinese Ambassador to Japan Yang Zhenya was present at the meeting.

Noburo Takeshita, former Japanese Prime Minister; Abe Shintaro, former secretary general of Japan's Liberal Democratic Party; and Takako Doi, chairman of the Japanese Socialist Party, also had separate meetings with Zhang Xiangshan and his party today.

Zhang Xiangshan and his party arrived in Japan on 2 April to attend the Fourth Asian Peace Symposium. Masayoshi Ito, president of the League of Parliamentarians for Japan-China Friendship, and Japanese Foreign Minister Taro Nakayama had separate meetings with Zhang Xiangshan on 5 April.

Zhang Xiangshan and his party are scheduled to return home tomorrow.

#### **Wu Xueqian Meets Japanese Visitors**

OW1104142990 Beijing XINHUA in English  
1032 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Wu Xueqian, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and vice-premier, met here today with Aichi Kazuo, director of the International Affairs Bureau of the Japanese Liberal Democratic Party and member of the House of Representatives of the Japanese Diet, and his party.

The two sides agreed that it is conducive to the promotion of mutual understanding and deepening of bilateral friendship to have more exchanges through various channels, including the channels of political parties of the two countries.



Yesterday evening, Li Yimang, president of the Association for International Understanding of China, met with the Japanese visitors.

Yesterday morning, Zhu Liang, head of the International Liaison Department of the CPC Central Committee, exchanged views with Aichi Kazuo on issues including bilateral relations.

#### **NPC Official Meets Japanese Women's Delegation**

OW1204100890 Beijing XINHUA in English  
0911 GMT 12 Apr 90

[Text] Beijing, April 12 (XINHUA)—Lei Jieqiong, vice-chairwoman of the Standing Committee of the National People's Congress [NPC], met a women's delegation of the Japan-China Friendship Association here today.

The delegation led by Nagaike Hiroko, chairwoman of the association's National Women's Committee, arrived here yesterday at the invitation of the All-China Women's Federation.

#### **Japan Liberal Democratic Party Member To Visit**

OW1104211890 Beijing XINHUA in English  
1544 GMT 11 Apr 90

[Text] Tokyo, April 11 (XINHUA)—Michio Watanabe, an influential member of Japan's ruling Liberal Democratic Party (LDP), will visit China from April 30 to May 6 for talks with Chinese leaders.

The KYODO NEWS SERVICE reported today that Watanabe, former chairman of the LDP's Policy Affairs Research Council and leader of LDP's 4th largest intra-party faction, will fly to Shanghai on April 30 and stay in Beijing from May 2 to 4 for meetings with Chinese party leader Jiang Zemin and Premier Li Peng.

During those meetings, Watanabe will probably discuss with Chinese leaders the possible unfreezing of part of an 830 billion yen loan package from Japan to China.

#### **DPRK Praises Rescue of Korean Child**

SK1204021190 Changchun Jilin Provincial Service  
in Mandarin 1030 GMT 2 Apr 90

[Text] On the morning of 27 March, a five-member team, headed by (Kim Wang-kuk), vice chairman of the Hyesan City Administrative and Economic Guidance Committee in Yanggang Province of the Democratic People's Republic of Korea [DPRK], entered our country via the Changbai border port for expressing the deep appreciation of the people of Hyesan City to Comrade (Hao Yuejun), who had spared no effort to rescue a Korean child falling into Yalu Jiang. The team also praised (Hao Yuejun) as the embodiment of (Na Senggyo), and as a man having the spirit of internationalism.

At about 1300 on 13 March this year, on hearing a Korean child's call for help, (Hao Yuejun), without

anyone else on the scene, jumped into the icy cold Yalu Jiang to bravely rescue the child, thus taking the six-year-old child out of danger and pulling the child to the river bank. Then, even more praiseworthy, (Hao Yuejun) left the scene quietly without leaving his name. Only after many setbacks was the whereabouts of (Hao Yuejun) obtained by the Korean side. Then the Korean side specially sent a team to our side to express its thanks.

### **Southeast Asia & Pacific**

#### **Wu Xueqian Meets Papua New Guinea Visitor**

OW1104131890 Beijing XINHUA in English  
1029 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—China's Vice Premier Wu Xueqian met here today with Sir Julius Chan, former prime minister of Papua New Guinea.

Also, Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress and chairman of the Board of Directors of the China International Trust and Investment Corporation, met with Chan here today on a separate occasion.

#### **Radio, Television Delegation Arrives in Burma**

OW1104113990 Beijing XINHUA in English  
0836 GMT 11 Apr 90

[Text] Yangon, April 11 (XINHUA)—A Chinese delegation of radio and television led by Ma Qingxiong, vice-minister of the Radio, Film and Television, arrived here this afternoon.

The Chinese delegation will pay one-week visit to the country at the invitation of the Myanmar Government and in accordance with the Sino-Myanmar cultural exchange plan.

Present at the airport to meet the delegation were Tin Htoo, director-general of the department of fine arts under the Myanmar Ministry of Culture, and Chinese Ambassador to Myanmar Cheng Ruisheng.

The Chinese guests will tour the capital of Yangon and Mandalay, an ancient capital and the second largest city of the nation and will visit local radio, television and film departments.

#### **Information Delegation Leaves Burma for Home**

OW1104112390 Beijing XINHUA in English  
0840 GMT 11 Apr 90

[Text] Yangon, April 11 (XINHUA)—The Chinese information delegation left here this afternoon for home after concluding its one-week friendly visit to Myanmar.

During its stay in the country, the Chinese delegation has met Lt-Gen. Phone Myint, SLORC [State Law and

Order Restoration Council] member and minister of Information and Culture, also of home.

The guests also toured upper Myanmar's cities of Mandalay, Sagaing, Pagan and Taunggyi and visited press units in Yangon.

### Burma To Send Athletes To Asian Games

OW1104212190 Beijing XINHUA in English  
1439 GMT 11 Apr 90

[Text] Yangon [Rangoon], April 11 (XINHUA)—Myanmar [Burma] will send athletes to compete in six sports at the Asian Games slated for September in Beijing.

The Myanmar Olympic Committee is planning to field 39 athletes in the Asiad competition of track and field, men's volleyball, weightlifting, judo, boxing, and golf.

Myanmar's Asiad medal hopefuls will be 1,500-meter Asian champion Khin Khin Htwe and 10-kilometer Asian championship bronze medalist Ma Kyin Lwan, according to Khin Maung Lwin, deputy secretary of the Myanmar Olympic Committee.

The deputy secretary told XINHUA that other medal hopefuls are pinned down on Myanmar golfers who placed second at the Southeast Asian golf team championship held last November.

### RENMIN RIBAO Views Cambodian Coalition

HK1104114090 Beijing RENMIN RIBAO in Chinese  
3 Apr 90 p 5

["Newsletter" from RENMIN RIBAO reporter group: "Fight with Coordination and One Mind Against the Enemy—What is Seen and Heard in Cambodia (Part Three)"]

[Text] When gathering news in the northwestern part of Cambodia, we came across a new phenomenon in the battlefield. Owing to close cooperation between the three resistance forces in their struggle against the enemy, a number of important cities and towns and the vast countryside have been liberated and are enjoying a new lease of life.

### The Tripartite Committee

It was early on a morning in early spring this year, when silence reigned over the tropical rain forest. We started out in a jeep from Phnong Chas on the northwestern border, following a zigzag path through the forest and crossing over low banks of earth full of bumps and hollows between the fields. Toward midday, a broad road suddenly appeared before us. Pointing to the road ahead the driver told us: "This is Highway No. 69, leading to Thmar Puok in the north and Svay Chey in the south. These two towns were liberated by the three parties coordinated fighting." The expression "coordinated fighting" attracted us like a magnet.

"How did they coordinate the fighting?" we asked.

"They coordinated the fighting under the leadership of the Tripartite Committee. This 'Committee' was set up to meet the demand of uniting to oppose the enemy and coordinating the three parties' efforts in military, political, and economic affairs. It played an extremely significant role in winning sweeping victories by the resistance forces in the northwestern battlefields," replied a commander from the resistance forces.

According to the commander's account, the "Committee" enjoys enthusiastic mass support. Young people serve in the National Army of Democratic Kampuchea, the Nationalist Sihanoukian Army, and the National Front for the Liberation of the Khmer People. The people believed that any one of these three takes a great risk in fighting on their own. So, they called on the three parties to work hand in glove, "protecting their own relatives" while dealing telling blows at the enemy. The Tripartite Committee, which was set up in line with the people's wishes and requirement to fight the enemy, is also the headquarters coordinating the actions of the three parties in the battlefield. If one party is planning on taking military action it has to submit the plan to the Tripartite Committee for discussion. The commanders from the three sides will then study the matter conscientiously to work out an optimum battle plan. When the three parties have reached agreement, they will take combined action. Thmar Puok was liberated with the three parties cooperating closely in the battlefield. Prince Sihanouk spoke highly of this.

### The Battle for Thmar Puok

We arrived in Thmar Puok when the sun was in the west. Thmar Puok comprises six villages crowded together. Streets in the town proper, which are lined with coconut trees, proper are tidy and smooth. Well laid out blocks of residential quarters lie hidden among the trees. Our vehicle stopped at the roadside and we took a break on the veranda of a civilian house. We carried on a conversation with the vice chairman and other officials from the Thmar Puok branch of the Tripartite Committee while enjoying the sights of Thmar Puok. The topic soon turned to the battle for the town.

In September last year the Tripartite Committee decided to attack Thmar Puok. Before the attack, the resistance forces contacted some units defending the town so that the latter would collaborate from within with the forces from outside. Late at night on 29 September, troops from the three parties took action on the agreed plan. Some violently attacked the town; others fought a bitter battle outside the city, checking the advance of enemy reinforcements and cutting off the "hotline" between Thmar Puok and Si La Bi [2448 2139 3024] (10 km from Thmar Puok), where the enemy's regimental headquarters were situated and from where Vietnamese military advisers were busy giving orders to the puppet troops. The evening sky glowed red with the roaring artillery fire and the ground trembled under the tanks, sending the

enemy troops into consternation. Some soldiers shouted abuse, some cried, while others crawled on the ground acting like buffoons. With the support of an enemy company commander and his subordinates, the resistance forces' attack was so swift and violent that nothing could hold it back. Very soon they broke through the enemy line of defence and entered the city. Some enemy soldiers desperately took to their heels. Ban Na [3803 4780], chief of the enemy troops defending the city, tried to escape in civilian guise but was killed on the spot. The resistance forces, with coordinated fighting, were like a steel fist dealing a violent blow to the enemy. By 1300 the next day the resistance forces had liberated Thmar Puok, killing scores of enemy soldiers and arresting 300.

Tranquility has now returned to Thmar Puok. Groups of children play in the street and young people, male and female, sing and talk merrily. The voices of people reciting scriptures in the temple were sometimes heard. Raising our eyes, we saw the flag of the Cambodian National Government fluttering in the breeze over Thmar Puok.

#### The Tripartite Coalition

The jeep also carried us to the extensive liberated rural area where we specifically realized that the coordinated fighting against the enemy led to the setting up of the tripartite coalition. It is reported that of the 150 newly liberated villages to the north of Sisophon, 30 to 40 were liberated by the three parties fighting shoulder to shoulder. These villages have elected tripartite coalition regimes—village committees, where one chairman and two vice chairmen are appointed. The coalition regimes enjoy the support of the broad masses. The picture of state leader Sihanouk is hung in every house. The masses hope the three parties will close ranks. They said: "We hang the picture of Prince Sihanouk rather than the pictures of leaders of the three parties; otherwise, we hang pictures of the three leaders together." At present, in the regions under the coalition government, troops from the three parties work together harmoniously, and the people are happy with their new lives.

Coordinated fighting has born fruit and national harmony enjoys immense popular support. A senior commander of the resistance forces said with deep feeling: "The Cambodian people have longed day and night to drive out the Vietnamese aggressors, end the war as soon as possible, and live in concord with other nations. Given the present situation, we should promote unity of the three parties within the resistance forces. It would be all the better if the Phnom Penh regime would join us by changing its stand. The Cambodian people cannot afford to fight each other endlessly the way the Lebanese people do. This will only benefit Vietnam and cause our nation to suffer."

### Near East & South Asia

#### Minister Qian Yongchang Begins Visit to Iraq

OW1104232690 Beijing XINHUA in English  
1539 GMT 11 Apr 90

[Text] Baghdad, April 11 (XINHUA)—Chinese Communications Minister Qian Yongchang today started a week-long official visit to Iraq where he will attend meetings of the Sino-Iraqi joint committee for commercial and economic cooperation.

Qian, who heads the Chinese delegation to the committee, met today with Iraqi Trade Minister Muhammad Mahdi Salih al-Rawi, who is head of the Iraqi delegation to the committee meetings.

The two ministers reviewed cooperation between their countries in the past and discussed ways for further cooperation.

Qian and his delegation will also meet with other senior Iraqi officials.

The Chinese delegation arrived here last night.

#### CPC's Song Ping Meets Seychelles Officials

OW1104181490 Beijing XINHUA in English  
1228 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here this evening with a delegation from the Seychelles People's Progressive Front (SPPF), which is headed by Ralph Adam, a member of the Central Executive Committee and secretary for external relations of the party.

During the meeting, Song expressed satisfaction with the "constant development" in the relations between the two parties and countries. He said he believed that Adam's current visit will further such friendship.

After the meeting, Song hosted a banquet for the group led by Adam, who is also Seychelles' Minister of Health.

The delegation, which came at CPC's invitation, is scheduled to leave Beijing for a tour of Xian and Guangzhou tomorrow.

### Sub-Saharan Africa

#### Yang Shangkun Pledges Not to Close Doors

HK1104123090 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1140 GMT 11 Apr 90

[Text] Beijing, 11 Apr (ZHONGGUO XINWEN SHE)—President Yang Shangkun said this afternoon that China will uphold its principles, namely, upholding its political, economic, and other policies at home and continuing to implement the policy of opening up to the



outside world; China will never close its doors but will develop friendship and cooperation with other countries on the basis of the five principles of peaceful coexistence.

President Yang also noted when meeting with Guyanese Foreign Minister Jackson that China is enjoying political, economic, and social stability and all the Chinese people realize the importance of stability to the state. Only when stability is safeguarded will we be able to build our country and carry out other tasks in a planned way, and offset external negative factors. China has confidence in itself and will not allow external interference and pressure to upset its plan, he said.

Foreign Minister Jackson asserted that Guyana is perfectly content with the development of the relations between Guyana and China which are established on a sound basis.

### **Special Economic Zone Planned for Madagascar**

OW1204085690 Beijing XINHUA in English  
0755 GMT 12 Apr 90

[Text] Antananarivo, April 11 (XINHUA)—The Hong Kong-based Chinese enterprise, "Far East Group of Co.," today signed an agreement with the Madagascar Government on the creation of a four square kilometer special economic zone (SEZ) in the country's eastern Tamatave port city.

This is the first time that a Chinese enterprise has a chance to set up an overseas economic base and that Madagascar allows a foreign company to create a SEZ on its territory.

The agreement said that the SEZ, based on the Chinese SEZ model, will be governed by an administration headed by the Far East Group, who will have full independent and autonomous rights in enterprise and administrative management.

Two currencies, the U.S. dollar and the Madagascar franc, will be the official money in the SEZ. Meanwhile, the SEZ will enjoy preferential treatments in import and export, said the agreement, which expects the construction to be completed in 15 years.

Madagascar's Prime Minister Victor Ramahatra, Far East Group's President Pierce Ren, Chinese Ambassador to Madagascar Wei Dong and several Madagascar ministers attended the signing ceremony.

## **Latin America & Caribbean**

### **Guyana Foreign Minister Jackson Visits**

#### **Meets Yang Shangkun**

OW1104233990 Beijing XINHUA in English  
1513 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—All the Chinese people have come to realize the importance of stability to the nation, Chinese President Yang Shangkun said here today.

At a meeting with the visiting foreign minister of the Cooperative Republic of Guyana, Rashleigh E. Jackson, Yang said that the political, economic and social order in China is now stable. The Chinese people, he went on, have confidence in their nation, and no external interference or pressure can jeopardize their plans.

"We will abide by our principles and the political and economic restructuring while persisting in the open policy," he said, adding that China will never close its doors to the outside world.

He reiterated that China is willing to develop friendly relations of cooperation with the Third World countries and others on the basis of the five principles of peaceful coexistence.

Yang noted that the whole Chinese nation is now going all out in line with the spirit underlined in the government work report delivered by Premier Li Peng at the recent session of the National People's Congress.

China and Guyana, Yang said, have much in common such as the tasks of developing economy and working for the unity of all their people.

He said he hoped the current visit by Jackson would help further the friendly cooperative relations between the two countries.

Jackson said there exists a solid basis for the promotion of bilateral ties. His government and people are satisfied with the development of the relationship between Guyana and China, he said. He expressed the belief that these ties would be further enhanced in the future.

Present on the occasion was Chinese Foreign Minister Qian Qichen.

Also today, Zheng Tuobin, Chinese minister of foreign economic relations and trade, met Jackson and they signed an agreement on economic and technological cooperation between the governments of the two countries.

#### **Meets Qian Qichen**

OW1104111190 Beijing XINHUA in English  
0922 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Chinese and Guyanese foreign ministers said here today that China and Guyana will work to open new spheres of cooperation so as to push forward their existing good relations.

In their talks here this morning, Chinese Foreign Minister Qian Qichen and the foreign minister of the Cooperative Republic of Guyana, Rashleigh E. Jackson, had an extensive exchange of views on bilateral relations and international issues of common concern.

The two foreign ministers agreed that frequent meetings between Chinese and Guyanese officials benefit the two peoples and will help develop bilateral relations.

Qian said in the 18 years since the two countries forged diplomatic relations, their cooperation has made "gratifying achievements" in the political, economic, cultural and other fields.

China and Guyana share a firm basis for developing political relations, Qian said, adding that China is willing to make further efforts to consolidate and develop its economic cooperation with Guyana.

On international issues, Qian told his Guyanese counterpart that against the rapidly changing international situation, China will remain "unchanged in four aspects" in handling its relations with foreign countries:

First, carrying on its independent foreign policy of peace;

Second, continuing to take the strengthening of its unity and cooperation with third world countries as a "basic point" in its foreign policy and, in the present situation, attaching great significance to the strengthening of unity and cooperation between developing countries;

Third, developing normal relations with all countries on the basis of the five principles of peaceful coexistence and, in particular, adhering to the principle of non-interference in each other's internal affairs; and

Fourth, pushing ahead with its reform and open policies.

Jackson said that under the current situation, Guyana will heighten its vigilance, promote the non-alignment movement, strengthen unity with other developing countries and develop regional and multilateral cooperation. He also gave a detailed account of Guyana's efforts to strengthen its relations with its neighboring countries and other nations.

Jackson said that Guyana, which is currently carrying out an economic rejuvenation program, is exploring a development path that suits the actual conditions of the country.

Qian expressed admiration for the Guyanese Government's efforts to overcome its difficulties, and wished Guyana success in its economic plan.

During the talks, Jackson invited Qian to visit Guyana at a time convenient to him. Qian accepted the invitation.

After the talks, the two foreign ministers signed a protocol on the institution of the system of consultation between the officials of the two foreign ministries.

After that, Qian hosted a banquet for Jackson and his party.

### Qin Jiwei Views Interference in Internal Affairs

HK1104125890 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1140 GMT 11 Apr 90

[Report by Li Wei (2621 0251): "General Qin Jiwei Says Interference in Other Countries' Internal Affairs Is One of the Major Contributing Factors for Turbulence in the World"]

[Text] Beijing 11 Apr (ZHONGGUO XINWEN SHE)—Meeting some friends from South America this morning, General Qin Jiwei, State Councillor, concurrently Minister of National Defense pointed out that great changes have taken place in the world situation while some Western countries are pursuing power politics, and intervening with the internal affairs of other countries. This is one of the major contributing factors for turbulence in the world. However, no matter what changes there are, the general trend of peace and progress cannot be reversed. China is confident of doing a good job in its national construction.

General Qin Jiwei made the above statement when he met Venezuelan Land Force Commander-in-Chief Lieutenant General Carlos Penaloza. General Qin expressed the hope that the Chinese, and Venezuelan armies will enjoy more frequent ties to continuously deepen the understanding and promote the friendship between them.

Lieutenant General Penaloza stated that although there are ideological differences between Venezuela and China, the two sides share the wish to seek peace, and plan for the well being of their peoples; hence, the possibility of the friendly cooperation between the two countries. He added that after he visited a Chinese land force unit today in the status of a professional soldier, he promptly felt the fine qualities of the Chinese Army, and extended his congratulations to the host on that.

After the meeting, Lieutenant General Penaloza, on behalf of the Venezuelan president, conferred General Qin Jiwei with a Cross Medal Citation Class One of the Venezuelan Land Force.

### Qin Jiwei Meets Venezuelan General

OW1104144390 Beijing XINHUA in English  
1030 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Chinese State Councillor and Minister of National Defense Qin Jiwei met and had a cordial talk with Venezuelan general commander of the army, Lieutenant General Carlos Penaloza, and his party here this afternoon.

After the meeting, Penaloza awarded a cross medal, the highest honor of the Venezuelan armed forces, to Qin Jiwei.

**Song Jian Meets Cuban Scientists**

*OW1104143490 Beijing XINHUA in English  
1031 GMT 11 Apr 90*

[Text] Beijing, April 11 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met a delegation from the Academy of Sciences of Cuba at the Great Hall of the People here this afternoon.

The delegation headed by Rosa Elena Simeon, president of the Academy of Sciences of Cuba, arrived in China on April 7 as guests of the Chinese Academy of Sciences.

During their stay in China, the Cuban guests have visited Shanghai and some institutes under the Chinese Academy of Sciences.

**Wu Wenying-Led Delegation Ends Jamaica Visit**

*OW1104174190 Beijing XINHUA Domestic Service  
in Chinese 1245 GMT 8 Apr 90*

[Text] Kingston, 8 Apr (XINHUA)—A Chinese Government delegation, headed by Wu Wenying, minister of Textile Industry, visited Jamaica from 3 to 7 April. They received a warm and friendly reception.

During the visit, Florizel Glasspole, governor general of Jamaica, met with all members of the Chinese delegation. Patterson, deputy prime minister and minister of Production, Development and Planning of Jamaica; and Coore, minister of Foreign Affairs and Foreign Trade, separately held talks with the Chinese delegation. On behalf of their respective governments, Minister Wu Wenying and Minister Coore signed an economic and technical cooperation agreement. The Chinese Government will provide loans on favorable terms to the Jamaican Government. The ministers also exchanged notes on providing nonreimbursable assistance by the Chinese Government to Jamaica. The Chinese Government delegation attended an opening ceremony for a Chinese-Jamaican polyester fibre factory.

**Political & Social****Further Coverage of Third Session of Seventh NPC****Wang Bingqian's Budget Report**

OW1104114790 Beijing XINHUA Domestic Service  
in Chinese 0301 GMT 7 Apr 90

[Text] Beijing, 7 Apr (XINHUA)—Report on the Implementation of the State Budget for 1989 and on the Draft Budget for 1990

—Delivered at the Third Session of the Seventh National People's Congress [NPC] on 21 March, 1990

Wang Bingqian, state councillor and minister of finance

Fellow deputies, on behalf of the State Council, I now submit for your examination a report on the implementation of the state budget for 1989 and on the draft budget for 1990.

**I. Implementation of the State Budget for 1989**

The year 1989 was very unusual. Under the leadership of the CPC Central Committee and the people's government, people of all nationalities across the country upheld the four cardinal principles, persisted in reform and opening up, united as one, displayed the spirit of plain living and hard struggle, overcame one difficulty after another, and achieved an historic victory in stopping the turmoil and quelling the counterrevolutionary rebellion. In spite of the difficulties, we achieved relatively marked success in economic improvement and rectification, and the national economy is developing in the right direction. The state budget was executed fairly well last year, with revenues exceeding estimates contained in the budget plan, thus basically guaranteeing the financing of construction and reform.

According to present estimates, total state revenues in 1989 amounted to 291.92 billion yuan, or 102.2 percent of the budgeted amount; and total expenditures amounted to 301.455 billion yuan, or 102.9 percent of the budgeted figure, showing a deficit of 9.535 billion yuan. These estimates will change somewhat when the final state accounts are worked out.

The state revenues for 1989 include domestic receipts of 278.5 billion yuan, or 103.5 percent of the budgeted figure; and receipts from foreign loans totalling 13.42 billion yuan, or 81.3 percent of the budgeted figure. With regard to domestic receipts, the breakdown of major sources is as follows: Tax revenues amounted to 273.059 billion yuan, or 106.8 percent of the budgeted figure; revenues from enterprises reached 6.099 billion yuan, or 152.3 of the budgeted figure; funds collected for construction of key energy and transportation projects amounted to 19.812 billion yuan, or 96.6 percent of the budgeted figure; revenues collected for the state budget regulatory funds came to 8.094 billion yuan, or 67.5 percent of the budgeted figure; receipts from repayment of domestic debts were 14.01 billion yuan, or 126.2

percent of the budgeted figure; and receipts from other resources were 17.402 billion yuan, or 96.6 of the budgeted figure. Last year, subsidies for losses incurred by enterprises amounted to 59.976 billion yuan, an amount that was deducted from total receipts, as it was in the 1988 budget.

Of the total expenditures in 1989, those financed by domestic revenues came to 288.035 billion yuan, or 104.1 percent of the budgeted figure; those expenditures financed by foreign loans stood at 13.42 billion yuan, or 81.3 percent of the budgeted figure. The breakdown of major items was as follows: Expenditures for capital construction totalled 61.258 billion yuan, or 97.6 percent of the budgeted figure; funds expended to tap the potential of existing enterprises, finance their technological transformation, and subsidize the trial manufacture of new products amounted to 15.005 billion yuan, or 119.2 percent of the budgeted figure; aid to rural production and other operating expenses for agriculture came to 19.907 billion yuan, or 114.4 percent of the budgeted figure; costs of urban construction and maintenance projects amounted to 11.86 billion yuan, or 115.1 percent of the budgeted figure; operating expenses for culture, education, science, and public health reached 55.868 billion yuan, or 108.7 percent of the budgeted figure; expenditures for national defense totalled 25.146 billion yuan, or 102.4 percent of the budgeted figure; administrative expenses accounted for 26.708 billion yuan, or 117.8 percent of the budgeted figure; and subsidies to compensate for price rises totalled 37.034 billion yuan, or 90.4 percent of the budgeted figure. In addition, 2.673 billion yuan was spent on amortizing domestic debt and 4.583 billion yuan on servicing foreign debt.

The breakdown of the 1989 central and local budgets was as follows: Total revenues in the central budget amounted to 153.638 billion yuan, or 92.1 percent of the budgeted figure, of which 108.938 billion yuan, or 89.1 percent of the budgeted figure, was received directly by the central authorities and 44.7 billion yuan, or 100.4 percent of the budgeted figure, was handed over to the central authorities by the localities. Total expenditures in the central budget came to 165.032 billion yuan, or 94.8 percent of the budgeted figure, of which expenditures by the central authorities came to 108.778 billion yuan, or 92.1 percent of the budgeted figure; subsidies to localities came to 56.254 billion yuan, or 100.3 percent of the budgeted figure, showing a surplus of 11.394 billion yuan. Total revenues in the 1989 local budgets came to 239.236 billion yuan, or 109 percent of the budgeted figure. Of this, total local revenues obtained by the local governments themselves amounted to 182.982 billion yuan, or 112 percent of the budgeted figure, and subsidies from the central government amounted to 56.254 billion yuan, or 100.3 percent of the budgeted figure. Total local expenditures amounted to 237.377 billion yuan, or 108.1 percent of the budgeted figure. This included expenditures by local authorities themselves, which amounted to 192.677 billion yuan, or



110.1 percent of the budgeted figure, and expenditures handed over to the central authorities, which came to 44.7 billion yuan, or 100.4 percent of the budgeted figure. The revenues exceeded the expenditures by 1.859 billion yuan. In implementing the 1989 state budget, there was an outstanding contradiction in the supply and demand of funds and the financial balance was precarious. According to present estimates, both the state and central deficits have exceeded the budgeted amount. The main factors accounting for this were: 1) At the turn of spring and summer last year, turmoils and counterrevolutionary rebellion broke out in some localities, which greatly disrupted economic improvement and rectification, as well as the deepening of reform; caused serious losses to the national economy; and affected, either directly or indirectly, state revenues. 2) The dozen or so measures in the state budget designed to increase revenues, due to changes in the situation, were either postponed, reduced in scale, or not introduced at all, thus affecting a portion of the central revenues. 3) Financial departments increased their expenditures for agriculture, education, science and technology, and disaster relief. These expenditures were necessary; there was, however, overspending because strict control was not enforced.

Although last year's deficits increased somewhat, the execution of the budget was quite successful in view of the special circumstances. This is the result of the common efforts by people of all nationalities across the country. All localities and departments last year did a great deal of work and achieved fairly good results in earnestly implementing the policy of improving the economic environment, straightening out the economic order, and deepening reform and in tapping new sources of revenue, increasing revenues, cutting back expenditures, and strengthening supervision and control.

1. While developing production, all localities and departments worked hard to increase revenue and overfulfilled the revenue plans. In that year, all localities and departments, while controlling social demand and tightening credit, carried out the drive to increase production, practice economy, increase revenue, and reduce expenditure with a view to increasing effective supply and revenues. As a result, both production and revenues registered increases. While improving and rectifying the economy, financial departments at all levels earnestly consolidated fiscal and tax order, vigorously executed taxation work in accordance with the law, redressed the problem of granting tax exemption or reduction by exceeding one's authority, strengthened tax collection work, and cleared up outstanding loans and other incomes, thus ensuring the overfulfilling of revenue quotas. Under the precondition of persisting in collecting taxes according to law and not increasing the taxpayer's burden, local financial and taxation departments strengthened tax collection from private enterprises, self-employed industrial and commercial entities, and individuals' income regulatory tax. Tax collected from private enterprises and self-employed industrial

and commercial entities last year rose 49.3 percent over the previous year and tax from individuals' income regulatory tax increased by more than 300 percent. Meanwhile, in order to change the situation in which financial funds were widely dispersed and enhance state macroeconomic regulation and control, the nation last year began to collect state budget regulating funds on all kinds of extra-budgetary spending in accordance with a State Council decision. The nation also began to collect special consumption tax on color televisions and cars and expanded the scope in collecting special agricultural and forestry product tax, thus collecting an additional 14.5 billion yuan in revenues last year. Thanks to developed production, appropriate concentration of financial resources, and enhanced tax collection work, domestic revenues rose by 29.5 billion yuan, or 11.9 percent. If non-comparable factors are taken into consideration, this shows an increase of 7.4 percent, roughly equivalent to the 8.3 percent in industrial growth.

2. Implementation of the financial austerity drive policy has resulted in retrenchment and brought some financial expenditures for minor projects under control. In order to carry out the policy of improving the economic environment, rectifying the economic order, and launching a financial austerity drive, at the request of the State Council, the Ministry of Finance issued the targets for control of expenditures to all areas and departments early last year. In July, after taking into consideration the changes in the situation at that time, the State Council requested the central financial department to adopt measures for further retrenchment and trim 5 percent off every item of expenditures, with the exception of the few projects which are under state protection, on the basis of that year's budget. Meanwhile, it called on all areas to carry out retrenchment with reference to this percentage. All areas and departments actively organized task forces to carry out this request. They took various effective measures and strived to cut down expenses. In particular, the regulations on punishing corruption, encouraging leading cadres to set a good example in being honest in the performance of their official duties, and promoting the practice of plain living and hard struggle were formulated from the central down to the local governments after the "Decision on Doing Several Things of Concern to the Masses" was promulgated by the CPC Central Committee and the State Council last July. These regulations were conducive to reducing the phenomena of inviting guests to banquets, lavishing gifts on them, and indulging in wasteful extravagances. They also pushed forward the work of retrenchment and bringing financial expenditures under control. The total expenditures for institutional purchases incurred by units and departments at and above the county level throughout the country amounted to 36.3 billion yuan as of the end of last December. Calculated in terms of comparable items, this figure was lower than the previous year's by 11.5 percent. In this, expenditures on commodities under special control dropped 17.9 percent from the level of the previous year.

3. Readjustment of the structure of expenditures has enabled us to increase input in the key projects of the energy, transportation, agriculture, education, and science and technology sectors. Our budgetary expenditures for capital construction were controlled in accordance with the state budget. The end result of our implementation showed that the budget was not exceeded; the expenditure structure, however, was readjusted. According to our statistics, of total investment in capital construction, investment in the key projects and infrastructure of the energy, transportation, communication, and raw and semifinished materials sectors accounted for approximately 50 percent of the total investment amount. Meanwhile, the financial departments at all levels also tried and saved some financial resources to increase input in the sectors of agriculture, education, and science and technology. In 1989, operational expenses for supporting production in the rural areas and various agricultural undertakings increased 25.4 percent, or 4.033 billion yuan, from the level of 1988 to reach 19.907 billion yuan. The operational expenses on culture, education, science, and public health increased 14.9 percent, or 7.258 billion yuan, from the level of 1988 to reach 55.868 billion yuan. In this, the operational expenses for education increased 14.7 percent, or 4.102 billion yuan, from the level of 1988 to reach 31.975 billion yuan, which exceeded the growth rate of regular state financial revenue in our country. If we add to this the amounts of 5.683 billion yuan, representing the funds and investment in capital construction for education; 3.350 billion yuan, which represents the extra funds for education in both the urban and rural areas; and 3.050 billion yuan, which represents the funds for schooling of the children of the staff and workers of state-run enterprises, the total amount spent on operational expenses in education reached 44.058 billion yuan, more than 1988 expenses by 5.336 billion yuan. It was not an easy job for us to succeed in obtaining an increase for operational expenses in education at a time when the state was facing financial difficulties and was short of funds for various projects.

4. A nationwide tax, financial, and price inspection was launched along with economic retrenchment. Considering the inspection as an important part of the retrenchment drive, all regions and departments, on the basis of the inspection made by various units themselves, dispatched 620,000 inspectors to spot check 855,000 enterprises and units. The results of the inspection were remarkable. By the end of 1989, they had found that 8.82 billion yuan should be turned over to the state; of this, 6.654 billion yuan has already been turned over to the state. During the course of inspection, which proceeded along with enforcing law and discipline, a large number of cases involving serious lawlessness and indiscipline were handled. Statistics showed that 59,373 units and 8,824 people were fined, 439 persons were disciplined by the party or by administrative measures, and 931 persons were either turned over to judicial departments for investigation or placed under arrest according to law. From now on, while carrying on with our economic

retrenchment and promoting honesty in government, we must earnestly sum up our experiences, improve management, and strictly enforce financial and economic laws so that the work in these areas can be accomplished even more successfully.

Of course, we must also be aware of those noteworthy problems that appeared in the execution of the state budget last year. Since the situation wherein the size of the state's construction projects and financial needs still exceeded its financial capacity had not been reversed, the state still had a large deficit, which was disadvantageous to stabilizing the economy and commodity prices, as well as to promoting reform. On the other hand, the growth of revenues was substantially handicapped by problems noted in the production, construction and circulation spheres, such as high attrition but low returns, high input but low output, and high consumption but poor efficiency. These problems were especially pronounced during the second half of last year, when market sales were sluggish, industrial growth plummeted, many more enterprises suspended their operation totally or partially, and profits dropped. Moreover, some areas and units were found to have financial disorder, lax supervision, and ineffective budget control, or to have frequently evaded tax payments or practiced other methods of tax fraud, withheld profits, or diverted their capital. And the problems of squandering and wasting resources were still very serious. All this showed that the need to work hard, economize, and lead an austere life has yet to be understood by the people, and that clean and honest administration has yet to be encouraged. While most of these problems were created several years ago, some are new problems appearing during economic retrenchment. We must attach great importance to these problems, earnestly sum up our experiences, and take resolute measures to deal with them.

## II. The Draft 1990 State Budget

Based on the guidelines set by the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee, as well as the facts of our financial and economic situation today, the 1990 state budget is drawn up according to the principle of further implementing the general policies of carrying out economic retrenchment and deepening reform and, on the premise of ensuring political, economic and social stability, making continual efforts to control demand, tighten the money supply, and place the emphasis of work on restructuring production and distribution patterns with an aim to improve economic performance. It is also drawn up according to the principles of promoting production, exploring new financial resources, appropriately centralizing capital use, and ensuring a steady growth of revenues; strictly tightening expenditures and restructuring spending patterns so as to ensure the needs of major projects, curtail the needs of ordinary projects, and promote the belt-tightening mentality; and intensifying supervision over fiscal matters and strictly controlling deficits so that problems caused by total demand



exceeding total supply can be alleviated and so that a sustained, steady, and coordinated economic growth can be achieved.

According to the draft 1990 state budget which I have presented to you for examination, the total revenues will be 323.653 billion yuan, an increase of 10.9 percent over the estimated figure of the preceding year, and the total expenditures will be 332.546 billion yuan, an increase of 10.3 percent over the estimated figure of the preceding year. The balance of the two figures shows that expenditures will exceed revenues by 8.892 billion yuan. (Note: The national deficit of 1990 will be 42.335 billion yuan if the domestic and foreign debts of 33.443 billion yuan are also included)

Of the total state budgetary income as mentioned above, the domestic state revenues are 307.21 billion yuan and the loans from foreign countries are 16.443 billion yuan. The main items of domestic revenue include 299.899 billion yuan from taxes of various kinds, 4.909 billion yuan from state enterprises, 21.5 billion yuan from the collection of construction funds for building key energy and transportation projects, 12.5 billion yuan from the collection of regulatory funds by the state, 17 billion yuan from domestic debt collection, and 17.16 billion yuan from various other income. It is planned that 65.758 billion yuan will be used to subsidize those enterprises that have suffered losses. This amount will use up part of the state's revenue, and has been deducted from the total domestic state revenues.

Among the total state budgetary expenditures for 1990, 316.102 billion yuan will be appropriated from domestic funds and 16.443 billion will be appropriated from foreign loans. The arrangements for main expenditures are as follows: Capital construction will use 65.945 billion yuan; transformation of various enterprises to tap their potentialities and trial production of new products will cost 14.912 billion yuan; supporting rural production and various agricultural undertakings will cost 21.481 billion yuan; urban maintenance and construction will cost 11.856 billion yuan; cultural, educational, scientific and public health undertakings will cost 59.745 billion yuan; national defense will cost 28.97 billion yuan; administrative and management work will cost 27.234 billion yuan; price subsidies will cost 40.558 billion yuan; the repayment of and interest on domestic debts will cost 12.4 billion yuan; and the repayment of and interest on foreign loans will cost 7 billion yuan. Besides, 2.5 billion yuan will be listed as total reserve funds, of which the central authorities will have a reserve of 1 billion yuan and various localities will have a total reserve of 1.5 billion yuan.

In accordance with the decision of the Second Session of the Seventh NPC, the 1990 state budget (draft) will be divided into the central budget and local budget separately. The budget of the central authorities and the budget of various localities are as follows:

The budgetary income of the central authorities in 1990 will be 183.179 billion yuan, and the expenditures will be 194.27 billion yuan. The total expenditures will be greater than the total income by 11.091 billion yuan.

The income of the central government totals 183.179 billion yuan, of which 133.664 billion yuan is generated by its own sources, and of which 49.515 billion yuan is received from the various localities. The main revenue of the central government is generated in several ways, including: 86.183 billion yuan from various kinds of taxes; 3.199 billion yuan earned by various state enterprises; 17.341 billion yuan to be collected from construction funds and earmarked for the building of key energy and transportation projects; 8.15 billion yuan to be collected from regulatory funds for the state; 17 billion yuan to be generated from domestic debts; and 16.443 billion yuan to be derived from foreign loans. This year the state will subsidize various enterprises under the direct jurisdiction of the central government a total of 27.092 billion yuan to make up for their losses. This amount will be taken from the central government's income and has been deducted from its total budget.

The central government will use 136.141 billion yuan from the central budget to meet expenditures and will use 58.129 billion yuan to subsidize various localities. The main items upon which the central government's revenues are expended include 52.663 billion yuan for capital construction; 5.434 billion yuan for transforming various enterprises to tap their potential and trial production of new products; 3.538 billion yuan for geological survey and exploration; 1.915 billion yuan for supporting rural production and various agricultural undertakings; 7.168 billion yuan for cultural, educational, scientific and public health work; 28.73 billion yuan for national defense; 2.498 billion yuan for administrative and management work; 12.4 billion yuan for repaying domestic debts; 7 billion yuan for repaying foreign loans; 3.941 billion yuan for prize subsidies; and 1 billion yuan to be retained by the central government as reserve funds.

As the State Council decided for 1990, the budgetary income of localities will total 248.118 billion yuan, and their expenditures 245.919 billion yuan, thus leaving a surplus of 2.199 billion yuan. Of the total income of the various localities, 189.989 billion yuan are generated from their own sources and 58.129 billion yuan are received as a subsidy from the central government. The expenses of the various localities comprise two categories: the 196.404 billion yuan to be expended for their own use and the 49.515 billion yuan they will deliver to the central government. The above-mentioned local budget is the budget of all localities as a whole. With regard to various localities, some may have a surplus while others will encounter relatively more difficulties. According to the stipulations of the Constitution, the budget of various provinces, autonomous regions, municipalities, and counties (cities) must be examined and approved by the people's congress of that same level. The State Council requires local people's governments at

various levels to act in accordance with the targets set by the state for revenue and expenditures and to follow the principle of achieving a balance between income and outlays. They should take the actual local conditions into consideration when checking and preparing local budgets and submit them to people's congresses at various levels for examination and approval.

The draft national budget submitted to this session for examination is based on this year's plan for national economic and social development. In addition, it takes into consideration the factors of price and exchange rate adjustments as well as the ensuing effects of last year's wage adjustment, which resulted in a fall in revenue and a rise in expenditure. It also takes into consideration the possible amount of increased revenue and reduced expenditure arising from financial measures. In this connection, I would like to elaborate on the following points:

1. On the budget deficit outlined in the national budget. It was suggested at the Fifth Plenary Session of the 13th CPC Central Committee that three or even more years will be needed to narrow the gap between total social demand and supply, and to gradually reduce inflation in order to direct the national economy to a course of sustained, stable, and coordinated growth; to achieve a balanced budget; and to gradually eliminate the budget deficit. We are firm in this policy. We must fully understand the danger of budget deficits, and establish the concept of a balanced budget. We must endeavour to achieve this in practice. However, the present financial difficulties are the result of matters accumulated over many years, and thus cannot be solved within a short period. The situation surrounding the state budget this year is grim. Because the rate of economic growth has slowed during the effort to improve the economic environment and to rectify the economic order, it is difficult to improve economic returns and to hope for an increase in revenue. Moreover, outlays must be increased in various sectors, including for key construction projects, agriculture, education, science and technology, national defense, price subsidies and wage adjustments. On top of that, this is the peak year for servicing domestic and foreign debts, and, as a result, the gap between the supply and demand for funds will become even more acute. The difficulties will be enormous. Under such circumstances, it will be difficult to reduce the budget deficit within a short time. In the draft national budget submitted to this session for examination, the national deficit and the deficit of the central government are slightly lower than that of the previous year. During its implementation, we will try to increase revenue and cut back expenditure to reduce the budget deficit.

2. On tapping new sources of income to increase revenues. According to the relevant directives and calculations of the 1990 plan for national economic and social development, ordinary revenue will surpass the amount projected last year by 6.5 percent, but will not meet the necessary outlays for this year. As a result, while trying to expand production, increase economic returns, and cut

back losses, we must implement the necessary measures to tap new sources of income, pool funds appropriately, and increase revenue. The State Council has decided that it will adjust and raise the tax rate in retail trade at an appropriate moment this year. At the same time, in order to narrow the gap in social distribution, it will improve the personal income tax. While leaving the present tax on wage income unchanged, the revised tax will focus on incomes exclusive of wages. Incomes will be separated into different categories, and taxed at different rates. To fulfill the industrial policy and to divert a portion of the development funds to key construction projects, the present building tax will be improved upon and perfected by converting it into a regulatory tax on investment. These measures to increase revenue and to strengthen the administration to collect them will ensure the steady growth of revenue in 1990 and the fulfillment of the tasks in the state budget.

3. On servicing domestic and foreign debts. This year 12.4 billion yuan have been set aside for servicing domestic debt, an increase of 9.727 billion over last year's budget. They will be used mainly to pay the interest and redeem the principal of state bonds held by individuals falling due this year. As for state bonds held by enterprises, institutions, administrative units, and banks due this year, interest and principal payment will be delayed. A total of 7 billion yuan have been set aside for paying the interest and redeeming the principal of foreign debts due this year, an increase of 2.417 billion yuan over 1989. This increase is due primarily to the change in the Renminbi exchange rate. China's foreign reserve increased last year, and this enhances our credit worthiness. China is totally capable of repaying its foreign debts. From now on, we must maintain an appropriate level of debt and a rational debt structure. We must step up supervision and control over our debts, and further improve our financial capability to repay them.

4. On tightening expenditures and ensuring the needs of key projects: The serious losses and waste caused by excessive financial commitments, projects, and expenditures must be dealt with gradually through economic retrenchment. During the retrenchment period, the state will continue to adopt a tight policy to control capital needs and reduce expenditures. The draft of this year's state budget was drawn up according to this guideline. I must emphasize that in order to expedite agricultural, educational, and scientific and technological development, and in order to further strengthen national defense and properly deal with the shortage of funds for military projects caused by rising commodity prices, the state will increase spending in these areas. In 1990 the state will earmark 21.481 billion yuan to support production in rural areas and for agricultural projects. This represents an increase of 1.574 billion yuan, or 7.9 percent, over the estimated figure of 1989. Meanwhile, the central and local governments will also earmark a special budget of 3.3 billion yuan to aid the poor, and an investment of 4.456 billion yuan in agricultural construction. These

two budgets are respectively 2 billion yuan and 1 billion yuan higher than those of 1989. The 59.745 billion yuan earmarked for cultural, educational, and scientific development and public health services in 1990 is 3.877 billion yuan—or 6.9 percent—higher than last year's estimated figure. Of this amount, the education budget of 35.096 billion yuan tops last year's estimated figure by 3.121 billion yuan, or 9.8 percent. This increase exceeds the growth of regular income for the same year. If the following expenditures are also included—5.96 billion yuan drawn from other budgets of the state to be spent on education and educational construction, 4 billion yuan of surcharges for educational development in urban and rural areas, and 3.3 billion yuan earmarked by state enterprises for the education of workers' children—then the state's 1990 educational budget will reach 48.406 billion yuan, or an increase of 4.348 billion yuan over 1989. The defense budget for 1990 will be 28.97 billion yuan, an increase of 3.824 billion yuan, or 15.2 percent, over 1989. Agriculture, education, science and technology, and national defense are the key areas in this year's budget arrangements, and the state has done its best to meet their needs even though it faces financial difficulties and every sector is tightening expenditures.

5. On subsidizing losses incurred by enterprises and price subsidies: In 1990 the state has earmarked 65.758 billion yuan of its budget to subsidize losses incurred by enterprises and 40.558 billion yuan for price subsidies. These two figures top the estimated figures for 1989 by 5.782 billion and 3.524 billion yuan respectively. The reason of the increased subsidy for losses incurred by enterprises is primarily due to the fact that coal and oil mining enterprises have incurred greater losses because they cannot substantially increase their prices in accordance with rising production costs. Meanwhile, following the change in the exchange rate of the renminbi, the state has to spend more for subsidizing imports of several varieties of commodities. Developing agricultural production and increasing the peasants' income are the main reasons for increasing price subsidies. This year the state will appropriately increase prices for the contractual purchase of cotton and oil-bearing crops, and thus it will have to increase price subsidies accordingly. The amount of money spent for subsidizing losses incurred by enterprises and subsidizing commodity prices has been growing rapidly in recent years. This year the state will spend as much as 106.316 billion yuan, or one-third of the state budget, for subsidies in these two areas; this expenditure has become a heavy financial burden for the state. We must attach great importance to this problem, study it earnestly, and come up with a feasible solution. We should strive to gradually reduce spending on these subsidies by improving business management, reducing losses, increasing profits, reforming the price system, improving the price subsidy system, intensifying financial supervision, and combating all financial irregularities.

6. On readjusting workers' wages: The State Council decided last year that, beginning in the fourth quarter of

1989, it would increase the wages of personnel working at administrative units and institutions and increase the living subsidies of people having retired from these units, institutions, and state enterprises. This measure is being carried out step by step. The wages of state enterprise staff will be taken care of by promoting measures of linking wages to economic performance; the state will appropriately support hard-pressed, unprofitable enterprises and enterprises earning minimal profits. The adoption of these measures means that the state will reduce its revenues by 3 billion yuan and increase its expenditures by 5.25 billion, meaning a total difference of 8.25 billion yuan. Both this decrease and increase have been listed in the relevant departments of the budget.

#### Deputies:

The draft state budget for 1990 was prepared after repeated calculation and study. The revenues listed are relatively solid while the expenditures listed are relatively tight. In implementing the budget, we may still encounter some unexpected problems. Therefore, we must do our best to increase revenues and control expenditures in order to fulfill the task of implementing the state budget.

### III. We Should Unify Our Thinking, Heighten Our Spirit, and Struggle Hard for the Implementation of the State Budget for 1990

This year is a critical year in improving the economic environment and rectifying the economic order. We are faced with great difficulties in financial work and thus our tasks are very arduous. In particular, we have taken some measures to increase revenues and reduce expenditures and to concentrate funds. These measures are related to the interests of various sides and thus we must be fully prepared to do a good job. In order to ensure the successful implementation of the state budget, we must unify our thinking and understanding, strengthen our confidence, heighten our spirit, work hard, and implement the various tasks in a solid manner while carrying out the campaign to increase production and practice economy and to increase revenue and retrench on expenditures.

1. It is necessary to unify our thinking and understanding and foster the viewpoint of taking the whole situation into consideration. Financial matters are related to the entire situation. Whether we can fulfill the implementation of the state budget this year or not is not only related to the gradual realization of the goal of improving the economic environment and rectifying the economic order but also related to the sustained, stable, and coordinated development of the national economy in the future. On the one hand, we should fully understand the current difficulties. On the other hand, we should correctly assess the situation, see the favorable conditions, integrate our thinking and understanding with the guidelines of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee, and concentrate our



efforts on successfully accomplishing the tasks of improving the economic environment and rectifying the economic order. In the course of improving the economic environment and rectifying the economic order, the central authorities must appropriately concentrate financial power and supplies and must also strengthen efforts to seriously implement the various plans and strengthen macro-control in order to stabilize the overall economy. This reasoning is understood by all fronts. However, the measures to be taken will be a sort of adjustment for the vested interests of some units and thus the various localities and departments must make their due contributions to making this adjustment. Therefore, the various fronts should all take the whole situation into consideration, keep the long-range interests in mind, and jointly share the difficulties of the state. Naturally, the central authorities should also take the actual situation of the various localities and departments into consideration and treat some localities and departments in a different manner so that all units can generally tide over their difficulties under the austerity program. In formulating economic policies, budget plans, and their implementation plans, the State Council from now on must pay attention to listening to the opinions of local governments, departments, mass organizations, and the people. It must know the exact situation, do solid work, and strive to make policies and plans conform to reality and feasibility. All localities and departments must resolutely carry out State Council instructions to the letter. They must not "take what they need" or go their own way. In order to retain more financial resources and overcome financial difficulties at the central level, the State Council decided to properly increase the revenue turnover of some localities to the central government, and properly reduce central subsidies to some local governments. These measures have already been implemented. When discussing this problem, all local comrades have given consideration to the interest of the whole and expressed their willingness to contribute more to the state. Such a spirit is very good.

2. We must pay great attention to economic efficiency and make great efforts to increase revenues. Both the central and the local governments must firmly switch the main task of their economic work onto the track of enhancing economic efficiency. In the last several years we often emphasized the need to enhance economic efficiency and launch the campaign to increase production and practice economy and to raise revenues and reduce expenditures. However, results were not noticeable, because many departments went after a high growth rate, the economy remained overheated, and attention had not been turned to these aspects. Because of our present macro-economic retrenchment policy, our investment will not greatly increase, and we will not, and should not, keep the same high economic growth rate as several years ago. This fact will objectively bring pressure for enterprises to bear. At the same time, it also provides us with an opportunity to shift the stress of our work to enhancing economic efficiency. All localities and all departments should resolutely and seriously carry out

the campaign to increase production and practice economy and to raise revenues and reduce expenditures, oppose extravagance and waste, and enhance the economic efficiency of enterprises. They should regard these measures as an important part of the task of improving the economic environment and rectifying the economic order, formulate feasible work plans, establish the system of leadership responsibility, and successfully carry out the task through to the end. In order to solve the current problem of sluggish market sales and capital fund shortage among enterprises, we must take necessary macro-economic measures to open up the market, reduce overstocks of goods, increase effective supply, and guide consumption demand. In particular, we should act in accordance with our industrial policies, properly increase indispensable capital funds for enterprises, step up liquidation of "triangular debts," alleviate capital fund shortages, and maintain production in large and medium-sized enterprises, and particularly production of products currently in short supply, at a proper growth rate. Enterprises should take advantage of the current opportunity of readjustment to take a look at themselves, improve their management, promote technological progress, improve product quality, lower consumption, strive for better structure and management instead of high growth rate, and markedly enhance economic efficiency. In the course of screening and rectifying companies of various categories, we should resolutely eliminate those intermediate links which make high profits, disrupt the market, and jack up commodity prices. We should seriously implement our established agricultural policies, energetically support agriculture, screen and rectify unreasonable apportionments in rural areas to reduce the peasants' burden, and ensure steady agricultural development. At the same time, we should seriously rectify price subsidies, and pay great attention to the work of making up deficits and increasing surpluses. We should screen and rectify enterprises that incur losses, and draw a clear line of demarcation between losses due to poor operation and losses permitted by policy. Enterprises must make up for operational losses within a prescribed period, and subsidies for losses incurred will discontinue after the prescribed period. Losses permitted by policy have their limits, and those exceeding the limits are not to be subsidized. If an enterprise makes profit in an overall manner, but incurs losses on some of its products, it must take measures to rectify the losses within a prescribed period. In addition, it is necessary to strengthen financial supervision over construction engineering projects, strictly audit their investment estimates and final accounts, lower their construction costs, and improve the results of investments in fixed assets.

3. We must make great efforts to reduce and strictly control expenditures and truly lead a thrifty life. We must have a clear and definite guiding thought and must not waver in the "double retrenchment" policy on financial credits. All departments should lead a frugal life, and strive for invigoration and success amid retrenchment.

We should keep budgetary spending for capital construction at the present scale, and continue to readjust the investment pattern. We should be determined to reduce investment of extrabudgetary funds in fixed assets. We should try in every possible way to reduce administrative operational expenses and ensure their proper use. For institutions with steady incomes, government funding should be reassessed annually and reduced according to their incomes. Institutions should strive to gradually achieve financial self-sufficiency whenever they can. It is necessary to rectify newspapers, periodicals, and publishing houses; reduce subsidies for them; and support only the good ones among them. It is necessary to rectify academic organizations, and gradually reduce subsidies for the various guilds, centers, and administrative corporations. It is necessary to continue to exercise strict control over institutional purchases, while the ceiling of institutional purchases this year should not exceed that of last year. Requests for the purchase of state-controlled commodities should be given more favorable consideration if the purchased goods are to be used directly in production, scientific research, or education; otherwise, the requests must be examined more strictly before they are approved. Non-state-controlled commodities should also be subject to strict control, and their management should not be relaxed either.

It is particularly necessary to point out that the central authorities call for leading a frugal life so as to constantly maintain the fine tradition of self-reliance and hard struggle among the people and cadres throughout the country, and to make the people and cadres practice economy and oppose waste and corruption. At present, serious waste still exists, while the state is encountering financial difficulties and shortage of funds. Some organizations are working irresponsibly against objective law and are neglecting economic accounting, resulting in great economic losses to the state. Other organizations are squandering public funds, and their extravagance and waste are intolerable, arousing strong dissatisfaction among the people. Comrade Mao Zedong said: "Embezzlement and waste are extremely serious crimes." We should oppose waste just as we oppose embezzlement and corruption. Waste should be opposed not only in the field of production and construction, but also in administrative organizations and institutions. In particular, leading organs and leading cadres should take the lead in opposing waste and resolutely do a solid job in this regard.

4. We must continue to deepen reform and promote financial legislation. The task of improving the economic environment and rectifying the economic order and that of deepening reform complement each other. The present financial reform should serve the task of improving the economic environment and rectifying the economic order. Under the premise of keeping to the socialist orientation, we should stabilize and perfect the existing reform measures. The main task should be to further improve the contracted managerial responsibility system and the financial contract system among enterprises, and to actively explore and speed up the trial of

new systems. We still need to continue the contracted managerial responsibility system among enterprises at present, and should seriously sum up experience, constantly improve the system, and foster the notion of making more contributions to the state. The contractual base figures and progressive increase rates for enterprises should be properly raised if they are too low. An enterprise should divide between itself and the state any above-contract-quota profits according to a set ratio. In order to handle correctly the relationship between the state and enterprises, explore new forms of contract between them, and make the enterprise contract system scientific, rational, and standardized, all provinces, autonomous regions, and municipalities should each select one or two medium-sized cities and experiment in "separation of tax payment and profit delivery, repayment of loans after paying taxes, and contracting for after-tax financial returns" there. The existing financial contract systems should continue to be implemented, but we should promote what is good and abolish what is bad to gradually make them perfect. An ideal reform plan is to implement a financial system of divided taxation [fen shui zhi di cai zheng ti zhi 0433 4451 0455 4104 6299 2398 7555 0455] to help bring into play the initiative at both the central and the local level. This year we plan to experiment with the financial system of divided taxation in several selected localities. We should persist in opening to the outside world, further improve the investment environment, seriously implement the relevant taxation laws and regulations concerning foreigners, and continue to stabilize and improve taxation policies for special economic zones and coastal open regions. This year we should also make great efforts to promote financial legislation, and institute and improve various basic financial laws and regulations. At the suggestion of NPC deputies, the State Council is organizing personnel to prepare the "(Draft) Budget Law of the People's Republic of China," and will submit it to next year's NPC session for deliberation and approval. In addition, we will work in accordance with the demands of the task of improving the economic environment, rectifying the economic order, and deepening reform, step up legislation, successively enact some financial regulations, and gradually put financial work under management by law.

5. We must consolidate the financial and taxation order and reinforce financial supervision. In recent years, some local governments and units overstepped authority and used illegitimate means to reduce, exempt, or evade taxes under all kinds of pretexts. They reported false deficits in order to secure subsidies by cheating, set up unauthorized treasuries for the appropriation of state property for use by individual units, and illegally retained and misused state funds. These problems, which were rather serious, not only drained financial revenues but also seriously jeopardized the normal economic order. Therefore, we are confronted with the formidable task of improving and rectifying the financial and taxation order. In accordance with the requirements of rectifying the economic order put forward by the

central authorities, we must this year concentrate our efforts on rectifying the financial and taxation order. We must straighten out and rectify the order in both the central and local governments, in budgetary and extrabudgetary funds, and in the enforcement of rules and regulations as well as the management of revenues and expenditures, by strengthening financial and tax management and building up budgetary constraints through reinforcing legislation and laws. It is necessary to continue to rectify the taxation order, and earnestly check regulations governing tax reductions and exemptions in order to strictly control new reductions and exemptions. It is also necessary to implement the system of reporting taxable individual income, and to improve and strengthen the collection and management of individual regulatory income taxes. Efforts should be made to step up supervision over state assets and firmly check unauthorized annexations in order to ensure the integrity of state assets and prevent loss of profit in state-owned assets. While stepping up efforts to reinforce financial and taxation management and routine supervision and inspection, we must this year continue general inspection of tax collection, financial accounting, and prices in a down-to-earth manner, making further investigation of problems related to unauthorized treasuries to ensure that things are done strictly according to polycys. We must investigate responsibilities of unit leaders and personnel involved in grave violation of discipline, especially major and serious cases, meting out severe punishment and making public the results of investigation. At the same time, in conjunction with the general inspection, we must earnestly sum up experience, and establish and perfect managerial systems in order to plug loopholes. Financial and taxation departments at all levels must adhere to the mass line, make a serious effort to improve their ideological and work style, and go down to the grassroots to step up investigation and study so as to do an even better job of economic rectification.

Fellow deputies, the situation in state finance remains grim, and we are facing many contradictions and difficult problems in the budget. However, there are also many favorable factors for overcoming the difficulties. At present, China is stable politically, economically, and socially. The campaign to improve the economic environment, rectify the economic order, and deepen reform has scored marked results, winning the strong support of the masses. China's economic strength in particular, built up in four decades of construction, provides us with the material foundation for surmounting difficulties and winning victory. So long as we steadfastly take economic construction as the central task, uphold the four cardinal principles, persist in the policy of reform and opening to the outside world, resolutely rely on and closely unite with the Chinese people of all nationalities, and work hard with invigorated spirit and self-reliance, the 1990 state budget will certainly be fulfilled and China's construction and reform undertakings will surely and continuously advance.

### Presidium Decides on Motions

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in Chinese 1339 GMT 3 Apr 90

[Text] Beijing, 3 Apr (XINHUA)—The 80 jointly signed motions put forward by the delegations and deputies to the Third Session of the Seventh National People's Congress [NPC] were formally determined by the Presidium of the Session as motions. There are 304 other proposals that will be handed over by the General Office of the NPC Standing Committee as suggestions, criticisms, and opinions to relevant departments to study how to handle them and take the responsibility of giving answers to the deputies. This procedure is followed in accordance with the regulations stipulated in the Organic Law of the NPC.

Among the 80 motions determined by the Presidium, five will be handed over to the Nationalities Committee, 38 to the Law Committee, 14 to the Internal and Judicial Affairs Committee, 18 to the Financial and Economic Committee, four to the Education, Science, Culture, and Public Health Committee, and one to the Overseas Chinese Affairs Committee for their examination and discussions. Among the 304 proposals that have been determined as suggestions, criticisms, and opinions, 110 relate to political and legal affairs, 122 relate to finances and the economy, and 72 relate to education, science, culture, and public health.

The putting forward of motions by deputies to the people's congress is an important manifestation of the participation in and exercise of state power by the people's deputies. Yang Fengchun, responsible person of the Motion Section of the Secretariat of the Third Session of the Seventh NPC, said: The motions put forward by the deputies to the current session are of higher level and will play an important role in promoting further political, economic, and social stability in our country. Specifically, they have the following five major characteristics:

The number of motions calling for legislation with regard to the campaign to improve the economic environment, rectify the economic order, and deepen the reform has increased noticeably. A multitude of deputies suggested formulation of a monetary law, bank law, planning law, budget law, investment law, and company law as soon as possible so as to guide macroeconomic regulation and control by the state onto the track of rule by laws and strengthen legal supervision over the departments in charge of macroeconomic regulation and control. There were 159 deputies, including Wu Binrong, Wang Zhongyue, Zhang Tingwu, Liang Huanmu, and Chen Yanfa, who called for formulating a "village and town enterprises law" as quickly as possible to define the position of the village and town enterprises and exercise administration over them in accordance with the law.

The motions calling for stepping up the efforts to run a clean government and punish corruption are also quite conspicuous. A total of 36 deputies, including Yuan



Xuefen, put forward a motion "suggesting that the NPC set up a committee to oversee the efforts to run a clean government." They maintained that it is necessary to set up an effective supervision mechanism to ensure that a good job is done in promoting honesty and uprightness in the performance of official duties by state organs. If the NPC undertakes the task of supervising state organs' honesty and uprightness in their performance of official duties, it will be conducive to a fair and just evaluation of the work to promote honesty and uprightness in performing official duties and fight against corruption. A total of 31 deputies, including Xu Jingren, suggested formulation of a "law governing cadres' honesty and uprightness in performing official duties" in order to create an operational mechanism making it possible to effectively supervise cadres and change the current phenomenon of corruption that substitutes fines and penalties for punishment and reeducation and that causes the practice of imposing unauthorized and indiscriminate fines and penalties to spread unchecked. There were 32 deputies, including Zhou Yougen, who suggested that "rules and regulations governing administration of the imposition of fines and penalties and their confiscation" be formulated as soon as possible to step up promotion of honesty and uprightness among the law-enforcement contingent in their performance of official duties.

The number of motions that call for stepping up the efforts to maintain public order and crack down on abominable social phenomena also increased compared to previous sessions. A total of 31 deputies, including Wu Huaiying, put forward a motion calling for a crackdown on the criminals who abduct and sell children and formulation of a law that prohibits prostitution as quickly as possible in order to severely punish such criminals. There were 32 deputies, including Tan Jingyang, who suggested formulation of a "people's police law" as quickly as possible to improve the building of the public security organs and the contingent of the people's police. A number of deputies maintained that ineffectual crackdown on the social evils and abominable phenomena has something to do with our relaxation in the building of organs of state political power among the grassroots units. A group of 32 deputies, including Zheng Rui, suggested that efforts be stepped up in building organs of state political power among the grass roots units to improve the situation of ineffectual operation found prevailing among the grass-roots level organs of state political power. Another group of deputies, including Xiao Chengliang, put forward a similar motion.

The motions that show concern for and protect the legitimate rights and interests of the masses of people and call for stepping up the efforts to improve and protect our natural environment increased in number. A total of 32 deputies, including Zhang Zhongli, suggested that a "law governing people's appeal" be formulated as soon as possible; a total of 30 other deputies, including Zhou Zhineng, suggested that a "compensation law" be formulated as soon as possible; and a total of 31 other

deputies, including Zhang Youjun, proposed a motion on "meting out stern punishment for activities involving adulterating products with inferior, foreign, and counterfeit ingredients or substances." All their proposals suggested that it is necessary to provide a guarantee to the people that they will be protected by the laws of the state when their rights and interests are infringed upon. There were some other deputies who put forward a motion calling for addressing the problems faced by certain polluted rivers, townships, and towns within a prescribed period of time. A total of 31 deputies, including Ye Rutang, also proposed listing resolution of the housing problem as a basic national policy so as to make the long-cherished wish of millions of our people to live and work in peace and contentment come true as quickly as possible.

Another outstanding characteristic of the motions put forward by the deputies to the current session is that a multitude of deputies called for improving and perfecting the people's congress system. A total of 31 deputies, including Xu Zhangying, proposed that a "law on deputies to people's congresses" be formulated as soon as possible to guarantee that deputies can better carry out their duties, and a total of 31 other deputies, including Qi Shouliang, suggested amending the "election law." There were some other deputies who proposed that a committee in charge of promoting honesty and uprightness in the performance of official duties be established under the NPC Standing Committee in order to strengthen supervision by people's congresses over the government.

Yang Fengchun said: The motions put forward by the deputies to the current session have basically manifested the democratic approach and matter-of-fact attitude of the current session, as well as its spirit that rallies people and inspires unity to surmount difficulties and achieve an overall stability. They have also reflected a better capability on the part of the deputies to discuss government and political affairs. It may be said that the motions put forward by these deputies have represented the interests and heartfelt wishes of the people.

#### **'Birth' of Basic Law Viewed**

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in Chinese 1315 GMT 4 Apr 90

["The Birth of the Basic Law of the Hong Kong Special Administrative Region—by XINHUA reporter Huang Riyao (7806 2480 1031)"]

[Text] Beijing, 4 Apr (XINHUA)—The deputies attending the Third Session of the Seventh National People's Congress [NPC] held at the solemn Great Hall of the People today voted and approved the "Basic Law of the Hong Kong Special Administrative Region [SAR] of the People's Republic of China" and other relevant decisions. A thunderous applause exploded in the meeting hall after the executive chairman of today's meeting announced the balloting results.

The deputies universally maintained that this important national law embodies the great concept of "one country, two systems," saying that not only has it safeguarded China's sovereignty, but also provided a solid basis for maintaining long-term stability and prosperity in Hong Kong. They added that this law also serves as a blueprint for recovering Macao and resolving the Taiwan issue, and it provides an ideal formula for settling unresolved international issues.

The Hong Kong SAR Basic Law drawn up by the NPC on the basis of the principles outlined in the Sino-British Joint Declaration about Hong Kong has codified the central authorities' basic principles and policies toward Hong Kong. Since there was not any precedent in the world to follow, the drafting of this legal instrument was not at all easy. Six months after the signing of the Sino-British Joint Declaration, the NPC set up the Hong Kong SAR Basic Law Drafting Committee. As soon as the namelist of the committee members—which included well-known personages, experts, scholars, and people of all circles in interior China and Hong Kong—was announced, it was widely acclaimed by the media in Hong Kong. They maintained that the overwhelming majority of the committee members from Hong Kong could fully represent the interests of residents of all trades and professions in Hong Kong. People in Hong Kong also had high expectations of the committee members, hoping that they could draft a good basic law in line with the Sino-British Joint Declaration which would conform to Hong Kong's actual situation and which would represent the wishes of the majority of people in Hong Kong. Lai Ka Sing, Y.K. Pao, and other committee members also pledged that they would do their best for the sake of Hong Kong's future. At the end of 1985, the Hong Kong SAR Consultative Committee was set up in Hong Kong to collect views and suggestions from people of all walks of life about the basic law as well as to serve as the bridge between the drafting committee and Hong Kong people. Thus began the drafting of the basic law and the relevant consultative affairs.

The 59 draft committee members from interior China and Hong Kong, who were carefully selected by the NPC Standing Committee, had their first plenary meeting in Beijing on 1 July 1985. Although that was the first occasion of cooperation between members from interior China and members from Hong Kong, the atmosphere was very amicable; all spoke and expressed their individual views enthusiastically. In order to present a rational proposal, some members from Hong Kong were so engrossed in its rewording that sometimes they even gave up their sleep and forgot to eat. The good beginning encouraged the members immensely and they began to pool their wisdom and efforts to draft the basic law. By the end of the second plenary meeting, a blueprint of administering Hong Kong had been outlined, and five special groups had been set up to take charge of drafting provisions concerning the relations between the central government and the special administrative region; the basic rights and obligations of residents in the SAR; its

political system; and its economic affairs, education, scientific and technological affairs, cultural affairs, sports, and religious affairs.

No one individual could have possibly handled the task of drafting this highly complex law. Thus, the basic law is the crystallization of collective wisdom. The spirit of democratic consultations and sincere cooperation could be observed during the process of its drafting. Since the members from interior China and members from Hong Kong lived in two different societies and environments, and their education was also different, their work habits, manner of thinking, and even their comprehension of certain words and phrases were different. But after working together cooperatively for several years, they have become more compatible to each other. And thanks to their persistent efforts to study and discuss some problems and their willingness to choose and follow what was good, they solved one problem after another.

Members of the draft committee put forward alternate proposals to deal with controversial articles, and they solicited the views of Hong Kong residents after a careful study of the different proposals. Committee members from the interior also visited Hong Kong in groups to gain an understanding of Hong Kong's real situation and the residents' views. It is fair to say that all the articles of the basic law were formulated on the basis of a tremendous amount of investigation and research, and after taking into consideration the wishes of the majority of Hong Kong residents. Some articles were revised severally times. For example, articles on the proportion of the directly elected members in the first legislative council were finalized only on the eve of the closing of the last draft committee meeting. In the entire drafting process, the Hong Kong SAR Basic Law Consultative Committee, which served as an important bridge between the draft committee and Hong Kong residents, played an extremely important role in the drafting of the law. The tremendous amount of beneficial work conducted by the Consultative Committee in extensively publicizing the basic law and collecting and reporting different opinions is known to all. Lectures and exhibitions on the basic law sponsored by certain Hong Kong organizations and the large amount of articles on the basic law and its analysis by scholars became valuable reference materials for drafting the law and served to push forward the process of consultation.

Some individuals and organizations in Hong Kong went to the trouble of traveling the long distance to Beijing to express their views on the basic law to the central authorities and departments concerned. Jiang Zemin, Li Peng, and other leaders met with people of all circles from Hong Kong and heard their views. The central leaders also met with the draft committee members on many occasions, encouraging them to produce a brilliant historical document.

The 5.6 million Hong Kong compatriots are not the only ones who expended their energies for the basic law. People in the interior, who are as close as flesh and blood

with the Hong Kong compatriots, also showed great concern for the drafting of the basic law. The secretariat of the draft committee received many letters from people in the interior making suggestions on the Hong Kong SAR Basic Law. Many people from the interior contributed designs for Hong Kong's regional flag and emblem.

After 1,000 days and nights of work, a draft basic law finally made its debut in the spring of 1988 with the goal of soliciting people's views. This preliminary draft, which listed alternate ways of rendering controversial articles, was promulgated to widely solicit views from Hong Kong and the interior. On the first day the basic law was published in Hong Kong, pamphlets and newspapers carrying the draft law became hot items among Hong Kong residents, who were eager to read the draft.

The work of drafting the basic law was not all that smooth sailing. It also went through a tortuous process. Last year, after turmoil and counterrevolutionary rebellion occurred in Beijing, the Chinese Government adopted decisive measures to quell the turmoil and rebellion. In the wake of this, a few draft committee members resigned from their posts, and the work of consultation was also forced to suspend and postpone.

The draft committee members were always soberly aware that in accordance with the Sino-British joint declaration, Hong Kong will retain its original capitalist system and way of life for 50 years after it returns to the motherland in 1997, and that this will be the basic foundation for enacting the basic law, regardless of the changes in the international situation.

Last February, at its ninth plenary session, the draft committee adopted the "Basic Law of the Hong Kong Special Administrative Region of the People Republic of China (draft)" for submission to the NPC for deliberation and approval. The draft law, which has 160 articles and three annexes, reflects the spirit of "one country, two systems" from its preamble to the main body of articles.

People can expect that such a legal document which has the support of the people throughout the country, including Hong Kong compatriots, will be smoothly implemented after 1 July 1997 and will make important contributions to Hong Kong's long-term stability and prosperity.

#### **Serving Common Interests Lauded**

HK1104103090 Beijing RENMIN RIBAO in Chinese  
5 Apr 90 p 3

[Newsletter from staff reporter Zeng Kun (2582 0981): "Communists Are Defenders of the Common Interests of All Nationalities—An Interview With NPC Deputy Hederbai"]

[Text] Stability has become the common aspiration of the people of all nationalities in China today. With this

hottest topic in mind, this reporter interviewed Hederbai, the Kazak deputy to the National People's Congress and vice chairman of Xinjiang Uygur Autonomous Region.

With deep feelings, he started: "I love my nationality, but I do so with the fundamental interests of the entire Chinese nation in mind. We Communists, whatever our nationalities, should and must serve as defenders of the common interests of all nationalities. Having developed in the long process of history, the Chinese nation is not made up of the Han nationality alone, but takes as its components 56 nationalities all over the country. We should educate the people, especially the young ones, of all nationalities, using historical materialist viewpoints. As long as all members of the Chinese nation unite on the basis of the four basic principles, there will be no insurmountable difficulties and we will be ever-victorious.

As a deputy to the NPC for his own nationality, Hederbai apparently has a more profound understanding, from his experience, of the truth that the fraternal unity of the 56 nationalities is a prerequisite to the country's stability. He said: "The most important of all the tasks set by the party Central Committee for 1990 is to ensure stability. In Xinjiang, a stable situation chiefly finds expression in nationality solidarity. Once problems with this solidarity occur, there will be no stability to speak of in Xinjiang." This remark, sincere and forcible, tells people the vital importance of nationality solidarity to Xinjiang.

These years, the cadres and masses of various nationalities in Xinjiang have attached great importance to nationality solidarity, placing the work in this connection as above everything else. They have scored significant achievements and brought about an excellent situation in politics and economy.

His mild tone suddenly rose when he said that the chief factor endangering Xinjiang's stability is domestic and foreign separatism. He said: "In Xinjiang today, the situation in all spheres is very good, but some destabilizing factors do exist. Taking advantage of the current international turbulence, a small handful of separatists, both in China and abroad, are attempting to break up our unified motherland and undermine nationality solidarity. We must take a clear-cut stand and wage resolute struggle against separatism."

"The old trick used by separatists in Xinjiang is to carry out separatist activities under the signboard of nationality and religion. We must heighten our vigilance over this. Nationality separatists are the common enemy of all nationalities in Xinjiang, but they are the enemy of that nationality in the first place. The separatists of our Kazak nationality, if any, would be the enemy of the people of the Kazak nationality in the first place. The leading cadres and the Communists of one nationality should first of all mobilize the masses of that nationality



to expose the separatists. The masses of other nationalities also have the responsibility to expose them. In this way, the separatists will find no support."

### More Peasant Deputies Urged

HK1104074790 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1139 GMT 3 Apr 90

[Special report by Lin Yang [2651 2254]: "There Are 800 Million Peasants, But There Are Too Few Peasant Deputies to the National People's Congress"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 3 Apr (ZHONGGUO TONGXUN SHE)—At a news briefing during the Third Session of the Seventh National People's Congress (NPC), Shi Laihe, an NPC deputy and NPC Standing Committee Member from Qiliying, Xinxiang County, Henan Province, criticized in a roundabout way the proportion of peasant deputies at the present NPC. He said: "I hope there will be an appropriate increase in the number of peasant deputies at the next NPC and in the number of peasant members at the next Chinese People's Political Consultative Conference (CPPCC), so as to provide more chances for the rural citizens, who make up the bulk of the Chinese population, to participate in and discuss government and political affairs."

Of the 1.1 billion population in China, over 800 million are peasants, but only two out of more than 100 NPC Standing Committee members come from peasant backgrounds. Similarly, two out of more than 2,000 CPPCC members come from the circles of agriculture and forestry. No wonder Shi Laihe said that there are indeed too few peasant deputies at the present NPC and too few peasant members at the present CPPCC.

The other peasant member in the NPC Standing Committee is Wang Yongxing from Xiadingjia Town, Longkou City, Shandong Province. He has been a member of the Standing Committee of the Fifth, Sixth, and Seventh NPC. Earlier, there were only a dozen or so peasant members in the NPC Standing Committee. Later, the number decreased progressively, and when it comes to the present NPC, only Shi and he himself remain. He said that there is a federation of trade unions for workers, a women's federation for women, and a youth league for the youth, but no organization whatsoever for peasants. For this reason, in order to provide more chances for peasants to participate in government and political affairs, the NPC should give more seats to peasant deputies.

But there are also some people who hold that as Chinese peasants are undereducated and their ability to participate in and discuss government and political affairs is poor, it is therefore natural that they have fewer seats. The peasant deputies strongly object to this opinion: Level of education is not to be equated with level of performance and competence to participate in and discuss government and political affairs. The laws of the

state, and the administrative policies, rules, and regulations of the government, should all stem from social practice. The 800 million peasants are the most direct practitioners in the vast rural areas. They have the soundest and keenest judgment on whether or not the various theories, policies, laws, and regulations on agriculture and rural areas conform to the reality and the national situation. Therefore, their deputies are best qualified to speak on government and political affairs.

### Correctness of Policy Discussed

HK0904015190 Beijing RENMIN RIBAO in Chinese 31 Mar 90 pp 1, 4

["Dispatch" by reporter Zhang Shuzheng (1728 2579 2398): "NPC Deputies Cite Numerous Facts to Show Notable Results in Improving Economic Environment, Deepening Reform"]

[Text] Beijing, 30 Mar (RENMIN RIBAO)—How can we ensure the sustained, stable, and harmonious development of our national economy? When discussing the "Government Work Report," the deputies attending the Third Session of the Seventh National People's Congress [NPC] paid close attention to this question and put forward a lot of constructive proposals and opinions during the past few days. They also cited facts to prove the correctness of the policy for economic improvement and rectification and for in-depth reform laid down by the party central leadership and the State Council. This policy has effectively promoted the economy's steady development, and it must be continuously carried out. They pointed out that some temporary difficulties and problems exist in the economic work at present, so it is necessary to strengthen overall regulation and control. At the same time, the departments concerned at all levels should raise their work efficiency and actually implement the important measures mentioned by the government work report for furthering economic improvement and rectification and deepening the reform.

In their discussions, many deputies cited facts to show that in 1989, various localities achieved marked results in implementing the policy for economic improvement and rectification and in-depth reform through overcoming political impediments and economic difficulties. Guangdong Provincial Governor Ye Xuanping, a deputy to the NPC, said that last year, the total output value in his province increased by 7.5 percent over the previous year; total income increased by six percent; and financial revenue increased by 23.8 percent. The per capita income of the urban residents reached 1,886 yuan, and the per capita income of rural residents reached 955 yuan. With the factor of price increase being deducted, the two figures increased by 3.4 percent and two percent separately over the previous year.

Sun Weiben, secretary of the Heilongjiang provincial party committee, said that in the course of economic improvement and rectification, Heilongjiang Province



rationalized the movement and combination of the production factors, further improved the economic structure, and strengthened a number of backbone enterprises. For example, in Qiqihar City, 15 enterprise groups, each with over 10 million yuan of assets, have appeared. They will produce 400 million yuan of output value and contribute 150 million yuan of taxes and profits to the state. In the whole province, 240 out of the 257 enterprises that incurred losses in the past have begun to make profits. Through the mergers of 720 enterprises, the idle assets of some 710 million yuan were utilized again, and 72,000 workers were properly transferred to new jobs. Daqing City not only concentrated on developing the petrochemical industry, but were also rapidly developing plastics, textiles, building materials, food processing, and chemical industries, and the output value proportion of these industries increased from 0.98 percent in 1982 to five percent at present.

The facts mentioned by the deputies from various localities also showed that economic improvement and rectification had instilled new vigor to agricultural development. Li Diankui, a deputy from Dongying City, Shandong Province, said: "There are now five gratifying things in Dongying: 1) The policies are kept stable, and peasants can thus gain real benefit; 2) people's income can continue to increase; 3) the policies in all fields are now more favorable to agriculture; 4) prices have fallen obviously; and 4) cadres now go to the countryside to do solid things beneficial to the peasants."

Deputies from Tianjin and Shanghai said that a few years ago, the people were greatly worried about price increases, but in a short period of less than two years, price increases were obviously brought under control in various localities of the country. This was not easy, and it was popular with the residents. This was also a rare case in the world's economic development history. The facts fully proved the correctness of the policy for economic improvement and rectification and for in-depth reform. Beijing Mayor Chen Xitong, who is also a deputy to the NPC, said that as in other parts of the country, the growth rate of retail prices in Beijing was effectively brought under control last year, and it declined from 21.9 percent in the previous year to 18.5 percent last year by 3.4 percentage points. In addition, the prices of 47 daily necessities rose by just 8.6 percent, and the growth rate was nine percentage points lower than the previous year. Thus, the target of "making the price increase rate obviously lower than that in 1988" put forward by the State Council and the Second Session of the Ninth Municipal People's Congress was achieved.

As prices were gradually stabilized, people's feelings also became more stable and the people strengthened their confidence in achieving more successful results in the economic improvement and rectification and in the in-depth reform.

Many deputies said that the economic improvement and rectification also removed obstacles to further and in-depth reforms. In this sense, economic improvement-rectification and in-depth reform complemented each other. In some aspects, economic improvement-rectification was also the major contents of in-depth reform. For example, the work of screening and reorganizing companies, rectifying the economic order in the circulation field, and adjusting and optimizing the production structure and the enterprises' internal structure not only came into the category of economic improvement-rectification, but also constituted a necessary step in the in-depth reform.

At present, some difficulties exist in the economic work. In particular, there was a slack market for industrial products; industrial production was slowed down excessively; funds did not move smoothly; and some enterprises were forced to suspend their production or could not operate to full capacity. The deputies held that this was the new demonstration of the problems and contradictions that have been accumulated for many years in our country's economic work and was not caused by economic improvement and rectification. Zhang Xingrong, a deputy to the NPC who is also a famous national model worker and the inventor of the full-capacity work method, pointed out: "The present market slackness is an inevitable phenomenon in the course of overcoming the overheated economic conditions and checking the excessive demand. So it is nothing worth making a fuss about."

The deputies agreed with the analysis made by the government work report. That is, the problems and difficulties in the current economic work were also "related to the lack of timely and effective measures for giving macroeconomic guidance and the lack of effective methods." This year will be a crucially important year for economic improvement-rectification and in-depth reform. The problems that have accumulated for many years are interwoven with the new contradictions, and a lot of difficulties have arisen. In order to successfully handle this year's economic work and fulfill the tasks of economic improvement and rectification, we must strengthen macroeconomic control and regulations in the economic work and must firmly implement the financial and credit retrenchment policy laid down by the fifth plenum of the party Central Committee as the government work report pointed out. At the same time, it is necessary to appropriately adjust the concrete finance, price, and consumption policies. Effective measures should be taken to settle the "triangle debts" among the enterprises. The banking transactions of accepting bills should be restored so that the movement of funds can be enlivened. It is also necessary to take measures for guiding normal consumption. At the same time, it is also necessary to oppose the unhealthy tendencies of seeking quick results and practicing local protectionism. All localities should have a stronger sense of discipline and really take the national interests into account.

The deputies unanimously required the government departments concerned and all social circles to take immediate action to raise their work efficiency and increase the sense of urgency and responsibility for solving the problems and difficulties. The measures specified by the government work report for mitigating the current contradictions are correct and necessary. All localities should put them into practice without any delay. Deputies Nie Bichu, Geng Zhaojie, Zhang Zaiwang, Wang Runsheng, Qiao Weixiong hoped that all local authorities and departments concerned will make a breakthrough in raising their work efficiency. They said that it took about three months to inform the upper authorities about problems at the lower levels, and then it took another three months to relay the policies from the upper authorities to the grass-roots units. At present, the problem of production landslide must be solved immediately, without delay or hesitation.

#### Democratic Parties Study Guidelines

OW1204004490 Beijing XINHUA Domestic Service in Chinese 1154 GMT 30 Mar 90

[By reporter Zhang Yanping (1728 0917 1627)]

[Text] Beijing, 30 Mar (XINHUA)—The Central Committees of the Revolutionary Committee of the Chinese Kuomintang and the China Democratic League, and the All-China Federation of Industry and Commerce in Beijing today separately held expanded meetings of chairmen and Standing Committee meetings to study the guidelines set by the Third Sessions of the Seventh National People's Congress [NPC] and the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC]. The meetings decided to closely unite around the Chinese Communist Party; and to make greater contributions to accomplishing all tasks set by the NPC and CPPCC sessions, to rejuvenating the Chinese nation, and to promoting the motherland's reunification.

A resolution adopted by today's meeting of the Revolutionary Committee of the Chinese Kuomintang said: In 1990, organizations at all levels of the Revolutionary Committee of the Chinese Kuomintang should mobilize and unite all party members and the masses they have ties with, resolutely maintain and develop the current political stability and unity, and oppose words and acts unfavorable to maintaining stability and unity. At the same time, we should work to improve the economic environment, rectify economic order, and deepen reform, in order to make contributions to ensuring that the economy develops in a sustained, steady, and coordinated way. We should conscientiously carry out the CPC Central Committee's opinions on upholding and improving the multiparty cooperation and political consultation system, led by the Chinese Communist Party. We should be more active in taking part in, and discussing, government and political affairs, should strengthen our democratic supervision, and better play our role as a participating political party.

Today's meeting of the Central Committee of the China Democratic League adopted a resolution calling on organizations at all levels of the league to actively take part in all activities held by organizations of the CPPCC; to actively participate in, and discuss, government and political affairs; and play an appropriate role in political consultation and democratic supervision. The resolution urged organizations at all levels of the league to motivate league members in earnestly studying Marxism, Leninism, Mao Zedong Thought, and current and political affairs; to uphold the four cardinal principles in a clear-cut manner; to oppose bourgeois liberalization; to promote the league's revolutionary traditions; to work in unison; and to do their best to promote socialist material and spiritual civilizations and socialist democracy.

Rong Yiren, chairman of the All-China Federation of Industry and Commerce, said at today's meeting of the federation: The All-China Federation of Industry and Commerce should, following the guidelines set in Premier Li Peng's Government Work Report, bring into play special assets of the federation as a national economic organization and as a nongovernment chamber of commerce engaged in foreign and domestic business activities. It should, taking the actual situation into consideration, actively conduct investigations and study on special economic issues; reflect the actual situation and offer suggestions to the Government; extensively conduct economic service activities and establish economic ties with foreign countries; help the Government improve the economic environment and rectify economic order; and assist enterprises to develop production, increase sales, upgrade production technology, and improve economic results, in order to raise the federation's work to a new level.

Attending today's meetings were Zheng Dongguo, Jia Yibin, Hou Jingru, and Li Peiyao, all of whom were vice chairmen of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang; Fei Xiaotong, chairman of the Central Committee of the China Democratic League; Qian Weichang, Gao Tian, Ye Dui, Tan Jiazhen, Tao Dayong, Luo Hanxian, Ma Dayou, Kong Lingren, and Xie Songkai, all of whom were vice chairmen of the Central Committee of the China Democratic League; and Ma Yi, Wang Guangying, Sun Fuling, Ye Disheng, Ye Baoshan, Zhang Xuwu, Jing Shuping, Zhang Jingli, Guo Xiuzhen, Jiang Peilu, Huang Changxi, Huang Liangchen, and Xiong Yingdong, all of whom were vice chairmen of the All-China Federation of Industry and Commerce.

#### Roundup on 'Unity' at Sessions

OW1004115890 Beijing International Service in Mandarin 0900 GMT 5 Apr 90

[Roundup: "Democracy, Seeking Truth, Unity, and Bolstering Morale"]

[Text] The annual sessions of the Chinese National People's Congress [NPC] and of the National Committee

of the Chinese People's Political Consultative Conference [CPPCC], which drew world attention, concluded after successfully fulfilling the tasks as scheduled. It is the consensus of domestic and foreign opinion that the two sessions were strikingly characterized by their stress on stability and development; both held that China should develop in a stable environment and maintain stability while seeking development. Under the premise of stability and development, the basic spirit demonstrated at the two sessions can be summarized by the following words: democracy, seeking truth, unity, and bolstering morale; in other words, the sessions were meetings for raising spirits.

First of all, the sessions gave full play to democracy; speaking of democracy, it should be noted that China's socialist democracy is not one characterized merely by squabbles and attacks on one another, as is the case in certain Western countries. On the contrary, at the sessions the more than 3,000 NPC deputies and some 2,000 CPPCC National Committee members spoke freely about what they wanted to say. Centering around the common goal of successfully building the country, they offered suggestions and pooled their wisdom. These were examples of genuine democracy. Speaking of the NPC session, the deputies not only expressed their opinions and offered suggestions on major national policies at various big and small meetings, but also jointly initiated or made in the name of their respective delegations 384 motions and 2,397 criticisms and suggestions. The CPPCC session received 1,725 motions from its members. How could so many motions and suggestions have been made without a warm atmosphere and full democracy?

By seeking truth we mean seeking truth from facts; that is, being sincere in raising and solving questions. The late-Chinese leader Mao Zedong said that what really counts in the world is conscientiousness, and the Communist Party is most particular about being conscientious. During the above-mentioned two sessions, all participants conscientiously deliberated and discussed the government work report, neither ignoring the achievements nor evading the difficulties and problems that exist. They based on facts their affirmations of the achievements and pinpointed the current problems after analyzing the difficulties, their solutions to which are feasible.

Now, about unity. The two sessions manifested the spirit of the great unity that exists among the people of all nationalities. During the sessions, all leaders, from the party general secretary, the state president, and the premier, to the leaders of various government departments, joined the NPC deputies and CPPCC members from various localities more than once to discuss state affairs and to exchange opinions. The scenes of acting with one mind and of sharing weal and woe between the high and low levels was quite moving. As we all know, China put down a counterrevolutionary rebellion in Beijing last year, as a result of which some Western countries unjustifiably imposed so-called sanctions against

China. Meanwhile, China's economy entered the stage of tackling the most difficult problems in improving the economic environment, straightening out the economic order, and deepening the reform. Just as Chairman Li Xiannian pointed out at the closing meeting of the CPPCC National Committee session, these internal difficulties and foreign pressures are nothing to be afraid of. He said: The Chinese people have encountered difficulties and been put under pressure more than once in the past. However, they have never surrendered to such difficulties and pressure. The more we are faced with difficulties, the more united we should be; the greater the pressure, the harder we should work. His remark reflected the spirit of the session and the aspiration of the 1.1 billion Chinese people.

As regards bolstering morale, people have said that the two sessions have united the people's force, reinforced their confidence, and inspired them to surmount every difficulty to win victory. This is true. We should have such morale, said deputy Jiang Zemin, who is also general secretary of the CPC Central Committee. During the meeting period, the Letter- and Visit-Handling Group received some 15,400 congratulatory letters from the people and more than 900 visitors. These letters and visitors fully reflected the people's wishes, their support for the decisions adopted, and their full confidence in the government work in the days to come.

All in all, it can be seen from the two sessions that China today presents a scene of stability, development, democracy, unity, reform, and opening to the outside world, as well as a scene of full confidence, hard struggle, and going all out for the best.

#### Li Ruihuan on Implementing CPC Decisions

OW1104175490 Beijing Domestic Service  
in Mandarin 1030 GMT 11 Apr 90

[From the "National Hookup" program]

[Text] Today Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee, gave a long speech on issues relevant to publicizing and implementing the decisions made by the Sixth Plenary Session of the 13th CPC Central Committee at a XINHUA conference on domestic operation. He pointed out that properly publicizing and implementing the decisions is a major political issue today and that the responsibilities of the media are heavy in this regard.

Li Ruihuan's speech consists of these three parts: First, we should fully understand the great significance in forging close ties with the masses; second, we should earnestly fulfill all the requirements set forth in the decisions adopted by the Sixth Plenary Session of the 13th CPC Central Committee; and third, we should constantly sum up the experiences of building a socialist society with distinctive Chinese characteristics.

Li Ruihuan said: The Sixth Plenary Session of the 13th CPC Central Committee recently adopted the decision



on strengthening ties between the party and the masses. This is a major decision. Comrade Jiang Zemin stressed that the decision must be firmly implemented in the speech he gave at the closing of the plenary session. People working on propaganda and ideological fronts must follow this guideline.

Li Ruihuan stressed that it is necessary to fully understand the great significance in forging close ties with the masses. He said: The four cardinal principles are an important part of the CPC's basic line. They are the foundation on which our country is founded. The four cardinal principles collectively reflect the fundamental interests and common wishes of the overwhelming majority of the Chinese people, and trusting and relying on the people and winning their support constitute the most reliable cornerstone of the four cardinal principles. This being the case, the four cardinal principles are our greatest political advantage, which means that we have the support of the masses. In order to uphold the four cardinal principles, we must adhere to the mass line, fully trust the masses, and rely on them; and when we perform our duties in various fields, we should carefully consider the masses' interests, know their requests, listen to their pleas, understand their sentiments, arouse their initiatives, educate, and guide them to march forward.

Li Ruihuan pointed out: Recently, the party Central Committee time and again underscored the importance of stability—pointing out that nothing can be accomplished without stability and that stability is a matter of paramount importance. Political, economic, and social stability depends on stability among the masses and stable public feelings in the final analysis. When there is stability among the masses and stable public feelings, even the disturbance created by the very small number of hostile elements can be easily dealt with. When there is neither stability among the masses nor stable public feelings, it is impossible to consolidate political, economic, and social stability. To set the masses' minds at rest and reassure them, the most fundamental thing to do is implement the decision adopted by the Sixth Plenary Session of the 13th CPC Central Committee and forge close ties between the party and the masses. Only when we do this can we heighten the masses' confidence in the party and stability can be built on the basis where the party and the masses breathe together and share the same destiny. Such a stability is unbreakable and can withstand the test of any great storm.

Li Ruihuan said: While noticeable results have been achieved in improving the economic environment, rectifying economic order, and deepening reform during the past one year or so, there are still many problems. In order to surmount difficulties and accomplish our missions, we must earnestly implement the series of important general and specific policies and measures which Comrade Li Peng set forth in his Government Work Report this year; and whether these policies and measures can be effectively implemented and play their proper parts depends ultimately on the masses and their initiative and on the spirit displayed by the vast number

of workers who know they are the masters of their country. To solve our economic problems, we cannot only resort to economic measures alone and disregard the human factor. We must also look at the issue through a political angle and take people's initiative into consideration. In other words, we must always think of the masses, closely rely on them, respect their role as being the masters of the country, and solve the problems on this basis. When we study the situation, we must know the masses' feelings in the first place; when we take measures, we must regard reliance on the masses as the principal measure; and when set the tasks, we must listen to the masses' views and requests.

Li Ruihuan pointed out: The issue of the relationship between the ruling group and the masses of people has different class contents in different eras and societies. Regardless of the eras and societies, however, this concerns whether our country is to maintain good order and achieve prosperity or become chaotic and perish. All sober-minded politicians and thinkers with accomplishments in the past gave great attention to this question, without exception. Ancient Chinese had this to say: The people are important, while the rulers are not. The people are the foundation of a country. When the foundation is firm, the country will be free of trouble. The people are like water, which can float boats and capsize boats. Such significant political thought, which has almost become a motto, is extremely valuable. This is the fine heritage of the Chinese culture. We should inherit and carry it forward on the new class basis.

Li Ruihuan pointed out: Proletarian political parties and Marxist revolutionaries differ radically from the politicians of the past. They believe that the masses are the makers of history. They respect the historical initiative and creative spirit of the masses. They rely on the masses to wage revolutionary struggles. The Chinese communists, with Mao Zedong as the representative, have shown great creativity and special brilliance in this regard.

Li Ruihuan said: Following the Third Plenary Session of the 11th CPC Central Committee, our party has reestablished the ideological line of seeking truth from facts and has corrected the mistake of taking class struggle as the key link during the period of socialist construction, thus eliminating a basic problem in distorting the mass line. Our party has decided to shift the focus of its work to economic construction and has formed a new line of one central task and two basic points. This line fundamentally manifests the interests, wishes, and demands of the broad masses and has won support from the broad masses. A major reason why we have been able to win great victories and created a new situation of socialist modernization, reform, and opening to the outside world during the past 10 years is that we have inherited and carried forward the fine tradition of the mass line established at the Seventh and Eighth CPC National Congresses. As for the errors in our work and the various negative and corrupt phenomena that have appeared within our party, a major reason for this is that we lack

sober vigilance and effective struggle against the creation and development of various factors hampering our links with the masses and our reliance on them under the new historical conditions. The decision of the Sixth Plenary Session deals with the current problems, sums up historical experience, and puts before the whole party the question of whether we can forever maintain and develop the flesh-and-blood ties with the masses, which amounts to a question directly related to the prosperity or decline, rise or fall of our party and state. This is absolutely correct and extremely important. This is exactly where the far-reaching significance of the decision of the Sixth Plenary Session exists.

Referring to serious implementation of the demands set forth in the Sixth Plenary Session's decision, Li Ruihuan said: The decision adopted by the Sixth Plenary Session has won the support of everyone in the party from the top down and people throughout the country. The masses earnestly hope that the decision can be truly put into practice. At the same time, however, they are worried that there will be temporary enthusiasm or that the implementation of the decision will be perfunctory. This worry is not without basis. For many years, some of our work has not been done well. Sometimes, this is due to our inappropriate mindset or impractical way of thinking, but in most cases, the problem is the lack of a tough work style and failure to grasp the work firmly. It should be noted that if what we say does not count and if we fail to do what we decide to do, then we will be more divorced from the masses despite our desire to forge close ties with them and we will dampen their confidence though we want to reinforce their confidence. In view of this, we must exert great efforts to implement the decision.

It is necessary to soberly note that objectively it is difficult to truly implement the decision of the Sixth Plenary Session of the 13th CPC Central Committee. The present ties between our party and the masses are not the same as those in the revolutionary war period and are no comparison to those in the early days after national liberation. The seriousness of being divorced from the masses makes it difficult to solve the problem of forging ties with the masses. In the new situation brought about by reforms and opening up to the outside world, the social environment, the concept of values, and personal relations have changed. As a result, new contradictions have emerged. Similarly, there are new problems that need to be solved concerning the ties between our party and the masses.

Speaking of our system, things exist which are unfavorable to or which could hamper the party from maintaining close ties with the masses, things which are unfavorable to or could even hamper mass supervision or prevent the people from becoming the masters of their own country. These problems can only be gradually solved by deepening the reform of the economic and political systems, advancing socialist democracy, improving the legal system, and instituting other supervisory systems.

To implement the decisions, we must make special efforts to reeducate our cadres in the mass viewpoint of Marxism and the party's mass line, advocate the transforming of our objective world while consciously transforming our subjective world, firmly foster the concept of the mass viewpoint, and learn the essential skills of following the mass line. Only by doing so can the maintaining of close ties between cadres and the masses gradually become a conscious act, a habit, a mood, and a system, and only thus can the implementation of the decisions be guaranteed.

Li Ruihuan pointed out: There are numerous things to be done in implementing the decisions, but we should begin by doing practical tasks. This is a breakthrough in implementing the decisions and is also the fundamental way for the party to strengthen its flesh-and-blood ties with the masses.

Speaking of summing up the experience of building socialism with Chinese characteristics, Li Ruihuan said: Since the Third Plenary Session of the 11th CPC Central Committee, the party's second generation of collective leadership, led by Comrade Deng Xiaoping, has integrated Marxism with China's specific practice, corrected the mistakes of the Great Cultural Revolution with the dauntless courage of proletarian revolutionaries, resolutely shifted the focus of work onto economic development, eliminated the rigid system, and initiated reforms and opening to the outside world, thus helping us to probe and open up new road for the building of socialism with Chinese characteristics. This is a correct road.

However, the correctness of the general line adopted since the Third Plenary Session of the 11th CPC Central Committee does not mean that all the specific lines, principles, policies, methods are mature and perfect; nor does it mean many problems involving theory are clear and explicit. Faced with numerous complex problems in real life at home and abroad, we still lack theoretical studies and preparations. Many problems have not been clearly explained or given a scientific answer, and it would be impossible to find a ready answer in history books. Therefore, be it the general line, theory, or specific lines and policies in various spheres, it is still necessary to probe them, create them, and develop them in accordance with the basic principles of Marxism and by summing up new experiences in the light of new situations.

Li Ruihuan pointed out: In summing up experiences, we must sum them up correctly, not erroneously. To do this, we must rely on Marxist theory, the masses, and reality and sum up the masses' great practice of building socialism with Chinese characteristics under the leadership of the party. We must not simply copy from foreign countries; we must not turn to the past; we must not rely on a minority; we must not divorce theory from practice.

Li Ruihuan pointed out: To find out the good and bad points of our system, the success and failure of our policies, and to check whether the productive forces have

been emancipated or hampered, we must, in the final analysis, go to the grass-roots units to get the answer. Only thus can we understand the true situations, and only thus can we make a scientific analysis and summation and thus can avoid and prevent subjectivism.

Li Ruihuan said: Implementing the decisions of the Sixth Plenary Session of the 13th CPC Central Committee, there exists a problem of the mental state among leaders at all levels and the masses of cadres at present and during the 1990's. At the Third Plenary Session of the 11th CPC Central Committee, Comrade Xiaoping put forth the slogan: Emancipate the mind, seek truth from facts, unite as one, and look ahead. The party's 13th congress stressed that this is still our basic slogan. The entire party has united, and the party and the masses have united under this basic line. Our present victory has been won because the whole party and the people of the entire country have united in their advance. If we pluck up our spirit and continue to unite in our advance, we will win new and greater victories in the 1990's.

Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee and member of its Secretariat; as well as Wang Renzhi and Zhu Muzhi also addressed the meeting. Ai Zhisheng, Xu Weicheng, and responsible persons of the capital's press units attended the meeting.

### Overseas Propaganda Group To Boost Image Abroad

HK1104020590 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Apr 90 p 11

[By Willy Wo-lap Lam]

[Text] The Chinese Communist Party (CCP) is setting up a high-level committee to boost the image of the party and the Government overseas, badly-damaged since the June 4 massacre.

The Leading Group on Overseas Propaganda, which Chinese sources say is in the process of being established, will co-ordinate China's overseas public relations efforts as well as relations with foreign countries in the areas of the mass media, education, and culture.

Key areas of its work will be Hong Kong and Taiwan.

A high-priority task of the group will be to play up China's continued commitment to the reform and open door policy as well as to trumpet the country's economic and technological achievements, especially those achieved with the cooperation of foreign countries.

Chinese sources say the group will likely be headed by Mr Li Ruihuan, the member of the Politburo Standing Committee in charge of ideology and propaganda.

Mr Wang Renzhi, head of the Propaganda Department of the party's Central Committee, is also expected to take up an important position.

Also tipped to join the group is the alternate member of the Politburo, Mr Ding Guangen, who is in charge of China's policy toward Taiwan.

"China's image overseas has taken a drubbing since the June 4 Tiananmen Square incident," a Chinese source said.

"The Leading Group will tighten up party control of the type of information and propaganda Beijing will beam overseas."

According to this source, the Beijing leadership will make every effort to let the June 4 affair "fade out" and instead emphasise themes of stability and economic development.

To counter criticism that China has lagged behind other East Bloc countries in economic and political liberalisation, Beijing is anxious to project the image of a party and government geared towards reform.

The propaganda on economic reform will focus on the steps Beijing is taking to make investment along the coast more attractive to foreign corporations.

In the arena of political reform, Beijing wants to be seen as a patron of "multi-party co-operation under Communist Party leadership."

A key area of the work of the Leading Group will be Taiwan and Hong Kong, which are targets of Beijing's united-front efforts.

Taiwan and Hong Kong businessmen have also provided the bulk of funds for joint ventures in the open cities and special economic zones.

Chinese sources say the Leading Group will enhance party control over major publications that are circulated overseas.

They include the overseas editions of two organs of the Central Committee, the PEOPLE'S DAILY and OUT-LOOK WEEKLY.

Information disseminated through the official NEW CHINA NEWS AGENCY, CHINA NEWS SERVICE, and the Hong Kong CHINA NEWS AGENCY will be subjected to closer scrutiny.

At the same time, the Leading Group will closely monitor major TV networks, newspapers and publications abroad, especially in such key countries and areas as Taiwan, Hong Kong, the U.S. and Japan.

It will also try to make the editorial stance of the important media companies "more friendly toward China."

Various party and government units, especially the Propaganda Department, the Ministry of Culture, and the United Front Department, will be carrying out the orders of the Leading Group.



The CCP has had a Leading Group of Ideology and Propaganda (LGIP) to oversee party and government work in promoting "mass education" in Marxism since the early 1980s.

The LGIP, whose leading members are Mr Li Ruihuan and Mr Wang Renzhi, has ultimate control over the nation's ideological and media units.

The setting up of the Leading Group on Overseas Propaganda, which analysts say is a "foreign offshoot" of the LGIP, underlies the urgency with which Beijing wants to put an end to its international isolation.

#### **Student Leader Flees, Another Reportedly Arrested**

HK1204101090 Hong Kong HSIN PAO in Chinese  
12 Apr 90 p 4

[Report: "Beijing Student Movement Leader Wang Chaohua Successfully Flees China, Another Student Leader Zhou Yongjun Has Been Arrested"]

[Text] According to a reliable source, of the core student leaders wanted by the Beijing authorities, Wang Chaohua, another woman student leader from the Beijing College Student Autonomous Federation, has successfully fled China while Zhou Yongjun, the first chairman of the federation, has been arrested.

The source said: Wang Chaohua who fled Beijing earlier is now in a foreign country. She will join the other fleeing pro-democracy activists and the Federation for Democracy in China when the right time comes.

Wang Chaohua, 38, graduate student at the Chinese Academy of Social Sciences, was the core member of the Beijing College Student Autonomous Federation. Among the numerous student leaders, she is the oldest and has the highest record of formal schooling. She was one of two women students on the list of 21 student leaders wanted by the Beijing Municipal Public Security Bureau after the 4 June incident. The other woman student is Chai Ling who fled China and arrived in France.

#### **Wang Chaohua and Chai Ling Follow a Different Line**

This staff reporter learned: Wang Chaohua fled Beijing earlier than Chai Ling and after passing through many places, she arrived in a foreign country and will make a public appearance when the right time comes.

Wang Chaohua was a student leader from the Beijing College Student Autonomous Federation who was relatively mature and paid greater attention to tactics. She was elected the chief leader of the petition delegation holding a dialogue with the government.

Wang Chaohua was said to have close relations with Professor Wang Yao at Beijing University and some students in the university said she was the professor's daughter. She was the only woman member of the

standing committee of the Beijing College Student Federation. She and Wang Dan were core elements of the student movement at the early stage.

Wang Chaohua and Chai Ling who fled China and arrived in France earlier are typical figures who followed a different line. Chai Ling was the chief commander of the hunger strikers and persisted in not giving up hunger strikes, a relatively drastic means, until "the goal is achieved" while Wang Chaohua was continuously opposed to hunger strikes and favored "dialogue" in solving problems. After the dialogue delegation held negotiations with Yan Mingfu, director of the United Front Work Department on 14 May, Wang Chaohua tried her best to persuade the students to leave the square. Although she was opposed to the advocacy of hunger strikes, finally, she supported and respected the decision made by the students and later on, she retreated to the second front line.

On the other hand, this reporter also learned: Zhou Yongjun, the first chairman of the Beijing College Student Autonomous Federation, has been arrested. On 13 June, the Beijing Municipal Public Security Bureau issued a search warrant for 21 student leaders of the Beijing College Student Autonomous Federation but Zhou Yongjun was not on the wanted list. It has been reported that this was because Zhou Yongjun joined a worker organization at the later stage of the student movement and thus became a member of the standing committee of the Preparatory Committee for the Beijing Worker Autonomous Federation from being a core member of the Beijing College Student Autonomous Federation. He helped the workers in the capital carry out the worker movement.

Zhou Yongjun, a fourth-year political science student at the China Political Science and Law University and the first chairman of the Beijing College Student Autonomous Federation, made mistakes twice last year. First, acting upon the suggestions of some standing committee members of the Beijing College Student Autonomous Federation and the admonitions of teachers in his school on the advantages and disadvantages of the demonstration to be staged on 27 April and the grim situation resulting from the RENMIN RIBAO 26 April editorial, he declared cancellation of the planned big demonstration without authorization and following normal procedures. The demonstration turned out to be a success at the end and he was thus deprived of the chairmanship of the Beijing College Student Autonomous federation.

The other mistake was that after the big demonstration on 4 May, at the Monument of People's Heroes in Tiananmen Square, on behalf of the Beijing College Student Autonomous Federation, he announced classes to be resumed the following day. However, he did not announce the entire decision of the federation simultaneously, which stated whether to return to classes or not would be decided by each member of the federation. At that time, opinions were divided among members of the federation and he was not deprived of the post of

standing committee member. This was because he represented the Political Science and Law University and only the university was entitled to dismiss his standing committee membership.

A 23-year-old native of Sichuan, Zhou Yongjun joined the Preparatory Committee for the Beijing Worker Autonomous Federation at the end of May of last year after having changed his name. Acting as a standing committee member, he assisted the workers in propagating democracy.

### Guangzhou Cleric To Join Underground Movement

HK1204022390 Hong Kong HONGKONG STANDARD in English 12 Apr 90 p 1

[By Tonny Chan]

[Text] The Most Reverend Dominic Tang, the Archbishop of Guangzhou appointed by the Pope, said yesterday he would accept an offer to be vice-chairman of the underground Episcopal Conference in China.

Archbishop Tang, who spent more than 22 years in jail in Guangzhou, is living at Wah Yan College in Kowloon.

Last November, nine Catholic bishops in China elected Archbishop Tang the vice-chairman of a newly-formed Episcopal Conference at a secret meeting in San Yuen.

Archbishop Tang, who did not attend the meeting, said he had not received any official document confirming the appointment.

He said he understood that almost all participants had been arrested afterwards.

"I believe information about the San Yuen meeting is correct although I haven't got any official confirmation yet. After so many arrests, they simply can't notify me," Archbishop Tang said.

Participants at the meeting announced the formation of an episcopal conference for mainland Catholics, and reiterated loyalty to the Pope.

"The arrests, the suppression won't extinguish our faith. The suppression may have destroyed the church organization but the Catholics remain united in their heart with the Pope," Archbishop Tang said.

He said the Episcopal Conference would continue despite the arrests. "The arrests simply could not get rid of the Episcopal Conference. They are still there," he said.

Archbishop Tang said he was sent to jail without trial in 1958, the year the Patriotic Catholic Association was set up, after defying pressure to recognise the association.

"Ten years after I was released, I still don't know what the charge was. For seven years in the cell, I lived in isolation, deprived of any contact with the external world, except the prison guards," he said.

"And in the cell, I had nothing to do except read books of Karl Marx, Lenin, etc. Periodically, I was examined on how much I had learned from the reading. If you failed the test, more years in the prison."

He said although he was jailed for more than two decades, he had never regretted his insistence of his faith. "This has been and will remain to be my faith," he said.

### Coverage of Tiananmen Square Events

#### CYL Members Receive Lecture

OW0504142290 Beijing Television Service in Mandarin 1100 GMT 5 Apr 90

[Text] [Video opens with a medium shot of four uniformed young people holding the four corners of a large national flag and, with thousands of people standing behind them at attention and with Tiananmen Gate off in the distance, walking slowly toward the side of the Monument to the People's Monument. The camera cuts to show a young man and woman standing as if taking an oath, a military band playing music, and a middle-aged man speaking, reading from a script, while thousands of young men and women are seated on the ground, listening] Today is the Qingming Festival. At Tiananmen Square, 5,000 members of the Communist Youth League [CYL] attended a CYL meeting held under the theme of remembering the history of revolution and carrying forward the spirit of the Chinese nation.

To enable the vast number of CYL members and youths to understand the history of the imperialist powers' invasion of China over the last century and the course of the Chinese people's struggle against foreign aggression, Comrade Jiang Xiaoyu of the Beijing Youth Political Institute gave a vivid lesson to the CYL members on patriotism in light of modern Chinese history since the Opium War.

At the meeting, 80 middle schools were admitted, with honor, into the CYL at the foot of the Monument to the People's Heroes.

[While announcer reads report, video shows more shots of the four young people carrying a flag and standing on the steps leading to the Monument, close-ups of the monument, and the middle school students being presented with CYL badges]

#### Young Pioneers Attend Rally

OW0504142990 Beijing Television Service in Mandarin 1100 GMT 5 Apr 90

[Announcer-read report over video prepared by station reporters Liu Jingshan (0491 0079 1427) and Liu Wei (0491 3555), identified by screen caption]

[Text] [Video shows shots of thousands of Young Pioneers standing in front of Tiananmen Gate facing the Monument to the People's Heroes; a boy and girl raising

their right hands; boys and girls singing and waving red scarves; and Young Pioneer leaders receiving red flags] This afternoon, 8,000 Young Pioneers from the capital attended a rally at Tiananmen Square, under the theme of taking the road of heroes and emulating the good youth Lai Ning. At the rally, the first batch of young vanguard groups of the 1990's were named. Seven units of Young Pioneers were conferred the title of Lai Ning Unit.

### Student Military Training To Be Institutionalized

#### 'Moral Character' Cited

HK1104095090 Hong Kong MING PAO in Chinese  
10 Apr 90 p 2

[Report: "Freshmen of Nanjing University and Shanghai Fudan University Will Also Receive Military Training This Year"]

[Text] As disclosed by information from Beijing, students who are to enter three famous universities this year will also receive military training so that the practice begun after the 4 June incident will be gradually institutionalized.

1,600 students who are to be admitted into Beijing University in September this year will be sent to two Army institutes in Shijiazhuang, capital of Hebei Province to receive one year of military training. 1990 entrants of Fudan University in Shanghai and Nanjing University in Nanjing will also be required to undergo the same training in Army institutes nearby.

A staff member from the president's office of Beijing University said when asked about the matter: The reporter from the Central People's Broadcasting Station in Beijing, who had an interview with the political commissioner of the Shijiazhuang Army Institutes earlier, has released a report on this.

Following the 4 June incident in Beijing last year, 700 beginning students of Beijing University were sent to Shijiazhuang to receive military training. The State Education Commission regarded Beijing University as an experimental unit. Beginning this year, apart from Beijing University, Nanjing University, and Fudan University, freshmen of other universities across the land will take turns receiving military training.

An official of Beijing University said: Military training last year changed Beijing University freshmen's moral character for the better and heightened their sense of discipline and organization. Many young students learned to take care of themselves and became intimate friends with soldiers. Some students were even reluctant to leave the Army institute.

It is reported that military training increased the burden on the Army institute run by the People's Liberation Army. Several Army institutes throughout the country cut their enrollments for the military training. Therefore,

freshmen of other universities than Beijing, Nanjing, and Fudan Universities, and students other than freshmen in the three universities will only undergo military training on the campus for two weeks or two months.

It is known that many graduating senior middle school students refused to enter themselves for an entrance examination of the above three universities after hearing the news. As a result, the State Education Commission made it a rule that the freshmen of the three universities, who are required to receive military training, will receive preferential treatment. For instance, they will be assigned work before others; they will not be required to go down to grassroots units to temper themselves for one year; they will not be placed on probation, and so on.

### Compulsory Training Expanded

HK1104014990 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Apr 90 p 11

[By Will Wo-lap Lam]

[Text] Beijing is taking steps to introduce compulsory military training in all university campuses starting later this year, Chinese sources have revealed.

First-year students in a number of key universities nationwide would have to undertake a full year of military training, the sources said.

They include Beijing University, the epicentre of the student movement last spring, Fudan University in Shanghai, and Nanjing University.

But the number of universities which will subject their freshman students to a year-long military education will depend on the availability of space at army camps and academies.

All new students at most universities are already required to undergo paramilitary drills that last up to a month.

Since June 4, only first-year students at Beijing University have been chosen to spend a full year in army academies.

Chinese sources say that Beijing wants to make military training a permanent part of higher education in order to eradicate the "germs of bourgeois liberalisation."

"The leadership is satisfied with the experiment of sending Beijing University students for a one-year stint at the Shijiazhuang Military Academy," a Chinese source said.

Beijing has also boosted the number of "ideological political workers" as well as plain-clothes police on campus in the aftermath of June 4.

Reports by these intelligence and security personnel have convinced the leadership that although it is unlikely



students will stage major demonstrations this year, they still harbour an antagonistic attitude toward the party and government.

Recently, senior officials, including the Education Minister, Mr Li Tieying, have indicated that military training would be an effective way to promote "patriotic education" among university students.

But the plan to "militarise" tertiary education may be hampered by the lack of resources.

China analysts say senior officials of the People's Liberation army (PLA), which has been hampered by huge financial deficits in recent years, have reservations about the use of its resources for "civilian" purposes.

A Western diplomat said: "The army budget has been boosted by 15 percent this year. However, a sizeable part of the increase has been earmarked for non-military operations like riot control in the cities."

The PLA has had to cut down on the training of new army recruits and the paramilitary People's Armed Police because an increasing number of university students are using military facilities.

It is understood that first-year students at Fudan and Nanjing universities would undergo training in academies in the Nanjing Military Region.

### Public Security Clearing Chang Jiang Pirates

HK1104081990 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0939 GMT 5 Apr 90

[Text] Wuhan, 5 Apr (ZHONGGUO XINWEN SHE)—A special battle targeted at the "Chang Jiang pirates" has been waged on the entire Chang Jiang since 20 March. According to reports from such places as Jiujiang and Zhenjiang, within a period of 10 days, six gangs of "Chang Jiang pirates" were ferreted out, with 25 criminals arrested according to law and a host of clues to their crimes obtained.

Li Yonghai, deputy director of the Chang Jiang Shipping Public Security Bureau, who is in charge of this battle, said in an exclusive interview with our staff reporter that the "Chang Jiang pirates" have been intolerably active, causing losses to the state and constant harassment to the Chang Jiang Valley. A firm crackdown is the only way out.

In the past years, the savage "Chang Jiang pirates" have badly disrupted the shipping order on the Chang Jiang and caused alarming losses to state property. According to incomplete statistics, there were 122 criminal cases committed by the "Chang Jiang pirates," of which 27 were major or extraordinary ones. All told the "Chang Jiang pirates" have stolen 163 metric tons of petroleum; 657 metric tons of coal; 29 metric tons of chemical fertilizers; 10 metric tons of steel products; together with grain, cloth, and large amounts of electrical machinery,

accumulators, and tarpaulins for ship use, incurring over 1 million yuan in direct economic losses.

To counter these unbridled "Chang Jiang pirates," the public security departments for shipping on the Chang Jiang organized over 2,000 officers and men along the entire Chang Jiang to prepare a huge tight dragnet along the river course from Luzhou in the west to Shanghai in the east, using all available police equipment.

According to Chen Hanfa, deputy head of the public order section of this bureau, the planned tactics for this special battle include concentrating on key sections of the river, launching all-out attacks along the entire course, and simultaneously using a variety of methods. The sections designated as crucial are those from Yichang to Zhicheng, from Shashi to Chenglingji, from Jiujiang to Wuhu, and from Zhenjiang to Jiangyin.

This public security bureau organized several teams to supervise operations at various key sections. The Yichang Shipping Public Security Branch organized its police force for night patrols and ambushes. The Wuhan Branch sent squads either to make sorties or to lie in ambush on ships at the key sections in the middle and lower reaches of the Chang Jiang, forestalling the "Chang Jiang pirates." Public security personnel in Nantong, Jiangyin, and Wuhu ports and of the shipping companies did in-depth work in cracking criminal cases and reacted promptly to the clues provided either by intelligence personnel or the general public, making timely verifications and arrests of criminals.

During this special battle, the port and shipping public security departments were in close cooperation with each other. Such a cooperation in Zhenjiang brought forth, within a short time, the success of cracking three major cases by the "Chang Jiang pirate" gangs. The Jiujiang Branch not only cooperated well with the port public security bureau but also established a joint defense network with the public security departments in counties and cities like Hukou, Pengze, and Susong. Through this network, more than 50 members of three criminal gangs guilty of stealing diesel oil and coal have been captured red-handed in this special battle, and six principal offenders have so far been arrested according to law. The Hubei provincial public security department instructed public security bureaus in counties and cities along the river to coordinate with port and shipping public security organs on their own initiative and to crack down on the "Chang Jiang pirates" to the greatest extent possible. At the same time, a purge was carried out in the Huangmei County Public Security Bureau for failure to render energetic help to the cracking of cases.

The public along the river, especially the ship crews and people doing business, all applaud the crackdown on the "Chang Jiang pirates."

It is disclosed that the Chang Jiang Shipping Public Security Bureau has set up a special team to process the cases that have been cracked in connection with the

"Chang Jiang pirates" and bring the captured criminals to court, giving them prompt and heavy punishment according to law.

#### **Public Security Hotline To Report Corruption**

OW1104173990 Beijing XINHUA Domestic Service  
in Chinese 0229 GMT 9 Apr 90

[Text] Beijing, 9 Apr (XINHUA)—The Ministry of Public Security today announced that a hotline, whose number is 5139696, has been set up to allow the masses to report corrupt police officers and policemen who accept bribes, resort to extortion, seek personal gain by abusing their power, pervert justice for a bribe, and commit other unlawful activities.

A notice promulgated by the ministry says that the objective of the hotline number is to implement the party Central Committee's directive on resolutely punishing corruption; strengthen the public security organs' building of clean government; bring about closer ties between the police and the masses; and encourage police officers and policemen to be honest, to rely on the masses, and to accept their supervision and guidance.

The notice says: Once a report by the masses of a violation of the law and discipline is proved true, the ministry will pursue the investigation to the end, handle the case sternly, and will never tolerate such mistakes, no matter who is involved in the case. Moreover, the ministry will apprise the informant or the public of the result of investigation. At the same time, it will protect the legal rights and interests of informants and ensure their personal safety.

#### **Procuratorates Crack Down on Abuse of Power**

HK1104075990 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1422 GMT 3 Apr 90

[Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE)—Zhang Qiong, director of the Department of Law and Discipline of the Supreme People's Procuratorate, stated today that procuratorates were cracking down on a number of big and major cases of "abuse of power" and dereliction of duty, and that outstanding achievements were scored in the investigation of such cases last year.

Zhang Qiong said that from last year to February this year, procuratorates throughout the country accepted and handled a total of more than 51,900 cases of "abuse of power" and dereliction of duty.

In recent years, cases of "abuse of power" and dereliction of duty accepted and handled by procuratorates in China have averaged an annual increase of 8.47 percent.

Last year, procuratorates throughout the country opened more than 2,000 investigation files for important and major cases, which represented 15.4 percent of the total number of cases handled. A total of 97 cadres above the

county and department levels were investigated and dealt with, of which seven were at the department and bureau levels.

In the first two months of this year, procuratorates throughout the country accepted and handled more than 5,800 cases of "abuse of power" and dereliction of duty, of which 240 files were opened for the investigation of important and major cases. This represented an increase of 36.1 percent against the same period last year.

Zhang Qiong felt that those figures signified a breakthrough and a good beginning in the development of procuratorial work.

In the past year, procuratorates conducted serious investigations into and handled cases involving bending the law to practice favoritism, bending the law to accept bribes, retaliation by means of false accusation, and interference with and damaging of postal and telecommunications systems on the part of state workers. Such work has enhanced the further development of anticorruption construction.

Since last year, procuratorates at all levels have conducted earnest investigations into more than 1,200 cases of state staff and judicial workers bending the law to practice favoritism, taking retaliatory action by means of false accusation, releasing criminals covertly, and disclosing state secrets.

Zhang Qiong gave some examples: During his term as director of the Xinning County Public Security Bureau, Li Houzhang, deputy secretary of the Political Science and Law Commission of Xinning County, practiced favoritism, bent the law, and sheltered a rapist; Tang Yuanguang, presiding judge of the Economic Proceedings Court of the Intermediate People's Court of Yinzhou Region, Guangxi, accepted cash and gifts; Zhang Kaiyu, presiding judge of the Binhai County Court, Jiangsu, bent the law for the sake of favoritism; Sun Yuwen, deputy bureau chief of Tonghua City Public Security Bureau, Jilin Province, practiced favoritism by bending the law and also accepted bribes.

It is known that the procuratorates are investigating and dealing with the aforesaid cases in a most serious manner. Last year, the procuratorates investigated, in accordance with the provisions of the law, 195 cases of bending the law for the sake of favoritism. Criminal responsibility was affixed to the defendants.

#### **Drafting of 'Planning Law' Being Stepped Up**

HK1104043490 Hong Kong CHING CHI TAO PAO  
in Chinese No. 14, 9 Apr 90, p 11

["Informed Sources" column article by Yang Ling (2799 0407) filed on 5 April: "Drafting of the 'Planning Law' for National Economy Is in Full Swing"]

[Text] China has formulated a series of economic laws and regulations since it adopted the policy for reform and opening up, but in the existing system of laws and

regulations, an obvious weak link is the imperfection of the legal system in the realm of macroeconomic management. Over a long time in the past, China pursued a planned commodity economy on the basis of public ownership, but there is no "Planning Law" so far. As a result, the planning work cannot follow a set of standards and can only be handled in a haphazard way. Therefore, formulating the "Planning Law" as quickly as possible is an objective need in the development of economic construction and economic reform.

It is learned that the State Planning Commission and other institutions concerned are now working intensively to draft the "Planning Law." Relevant work conferences and symposiums have also been held. The State Council's Bureau of Legislative Affairs and the relevant institutions of the National People's Congress have also attached importance to and supported the work of drafting the "Planning Law."

The experts who participated in discussing the relevant issues put forward the following proposals on the drafting of the "Planning Law":

- It is necessary to further explicitly specify the basic characteristics of the socialist commodity economy. 1) Public ownership should be its main body. 2) Distribution according to work should be the main form of distribution. 3) In general, the economy should be developed consciously in a planned and proportionate way. It was held that taking planned and proportionate development as a basic characteristic is of new significance and specifies a new scope for economic reforms.

- It is necessary to ascertain the relationship between the planned economy and the market mechanisms and to specify the degree, scope, and pattern of their combination as well as the changes in different periods, in different fields, and in different levels. In general, planning should play a dominating and guiding role in the relationship between the two sides.

- It is necessary to ascertain the division of plan-making powers in the overall planning structure. The jurisdiction scope of the central and local authorities as well as the enterprises in drawing up and laying down economic plans should be clearly stipulated. The lateral relations between various plan-making institutions should also be properly designed and clearly stipulated so that the planning activities of all these institutions can be brought into line with the legal system and that a multitiered planning and economic control system dominated by the central planning authorities can be gradually built up.

- It is necessary to establish a democratic and scientific process of formulating plans and the planning work. That is, the law should stipulate democratic and scientific procedures and methods of planning, and should include the contents of relevant planning indicators and the means of planning.

## Government Scholarships for 3,000 To Study Abroad

HK1104030090 Beijing CHINA DAILY in English  
11 Apr 90 p 3

[By staff reporter Zhang Lin]

[Text] China will send 3,000 people to study abroad under government-funded scholarships this year, a State Education Commission official has told CHINA DAILY.

The official, Shi Weiren, in charge of the work, said the selection of students would continue until the end of May.

There would be no change in China's policy of sending students and academics abroad, he said, apart from some necessary adjustments in the process of selection and dispatching.

The bulk of the government scholarships this year were going to older research students and senior scholars applying for short-term programmes, according to Shi.

Of the scheduled 3,000, about 1,500 would be selected as candidates for advanced or ordinary visiting scholarships for a term of six months to one year, CHINA DAILY learned.

The scholarships for visiting scholars usually range from \$5,000 to \$10,000 per person.

According to the dispatch plan, 400 would be selected to study abroad as doctorate students, and half of them would be trained under joint doctorate training programmes which the State Education Commission had started in cooperation with higher learning institutions abroad.

Besides government scholarships, the State Education Commission is also in charge of the selection of candidates to study abroad using World Bank loans.

The selection work for several hundred World Bank loan students was also underway, according to the official, though specific numbers were not available.

Shi reaffirmed the Chinese Government's policy of sending students to study abroad, which he said would be carried on for many years to come.

"Facts have shown that sending students abroad is a very effective way to introduce into China advanced foreign knowledge, science and technology and managerial experience, and to train highly qualified professionals," he said.

China has sent more than 60,000 students to study in more than 70 countries over the past ten years.

And more than half of them have returned to China upon completion of their studies, according to a commission report.



In order to do a better job in dispatching students, some adjustments would be made in this year's selection of candidates, Shi said, adding that it would be conducted in a more planned way giving attention to the needs of the State.

Their study should be for the purpose of application when they return, according to the official.

And China would reduce the number of students to be sent abroad for graduate and doctoral studies while greatly increasing the number of visiting scholars, Shi said.

"Since visiting scholars are more experienced in their fields and stay abroad for a shorter time, they are likely to attain quicker academic results," he said.

"As a prerequisite, we demand that those applying as senior visiting scholars present specific research topics which the country badly needs," he added.

Another reason was that the significant progress in China's higher education over the past decade had enabled the country to turn out its own masters and doctors through its own efforts, Shi said.

And the adjustment of policy also included diversification of study destinations, avoiding the past practice of concentrating on a few developed countries, CHINA DAILY learned.

#### State Councillor at Rally for Antarctic Explorer

OW1004225290 Beijing XINHUA in English  
1540 GMT 10 Apr 90

[Text] Beijing, April 10 (XINHUA)—Over 1,000 people from all walks of life gathered here this afternoon to mark the return of Qin Dahe, the Chinese member of a recent expedition which crossed the continent of Antarctica.

At the meeting the National Antarctic Research Committee announced the awarding of a first class citation for merit to the Chinese glaciologist.

State Councillor Song Jian said that Qin is "an outstanding representative of the Chinese scientists and the Chinese people."

The crossing took 220 days and covered 5,984 km.

With the goal of peacefully developing Antarctica, Song said, Qin "has opened a new page in history with his courage, intelligence and strength."

The state councillor highly praised the scientist's devotion to science. "The future of the world, and especially of science, belong to those who are brave enough to scale new heights," he said.

He encouraged scientists and young people to "follow in the steps of the heroes" and to contribute to protecting the earth, man's unique habitat.

Qin, 43, a newly promoted research professor at north-west China's Lanzhou Institute of Glaciology, said that his success was "not only the pride of the Chinese people, but also that of the people of all the developing countries."

He added: "It signals that Chinese scientists are capable of competing with those of the advanced countries."

The Antarctic Research Committee also announced today the winners of an international juvenile writing competition, which was jointly held by the six countries represented on the expedition.

An article called "I Love Antarctica, But I Love Peace More", written by a grade primary school student in north China's Shanxi Province was among the top awards, the official announced.

#### Ceremony Held To Inter Ashes of Chen Weida

OW1004131090 Beijing XINHUA Domestic Service  
in Chinese 1328 GMT 9 Apr 90

[Excerpt] Beijing, 9 Apr (XINHUA)—A ceremony for interring the ashes of Comrade Chen Weida, an excellent CPC member, a staunch Communist fighter, a proletarian revolutionary, and a member of the Central Advisory Commission, was held in the Assembly Hall of the Babaoshan Cemetery for Fallen Revolutionaries in Beijing in the afternoon of 9 April.

Chen Weida died of illness at the age of 74 in Hangzhou on 18 March.

Jiang Zemin, Deng Xiaoping, Li Peng, Chen Yun, Wan Li, Li Xiannian, Peng Zhen, Deng Yingchao, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Li Tieying, Wu Xueqian, Qin Jiwei, Bo Yibo, Song Renqiong, Liu Huaqing, Yang Baibing, Wen Jiabao, Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Jiang Hua, Li Yimang, Li Desheng, Yang Dezhi, Xiao Ke, Yu Qiuli, Song Shilun, Zhang Jingfu, Zhang Aiping, Lu Dingyi, Chen Pixian, Chen Xilian, Hu Qiaomu, Duan Junyi, Geng Biao, Ji Pengfei, Huang Hua, Kang Shien, Cheng Zihua, Xi Zhongxun, Peng Chong, Yan Jici, Rong Yiren, Ye Fei, Chen Muhua, Song Jian, Wang Fang, Chen Xitong, Ren Jianxin, Liu Fuzhi, Fang Yi, and Gu Mu sent wreaths.

The CPC Central Committee; the Central Advisory Commission; the Standing Committee of the National People's Congress [NPC]; the General Political Department of the People's Liberation Army; the Supreme People's Court; the Supreme People's Procuratorate; the General Office of the CPC Central Committee; the General Office of the State Council; the Political and Legal Commission of the CPC Central Committee; the Organization Department of the CPC Central Committee; the Ministry of Public Security; the Ministry of State Security; the Ministry of Justice; the Ministry of Civil Affairs; the Bureau of Legislative Affairs of the State Council; the Legislative Affairs Commission of the

NPC Standing Committee; the China Society of the Science of Law; the Zhejiang Provincial CPC Committee; the Tianjin Municipal CPC Committee; the Jiangsu Provincial CPC Committee; and the Xiangshui County CPC Committee of Jiangsu Province also sent wreaths.

Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Li Tieying, Wu Xueqian, Song Renqiong, Wen Jiabao, Wang Ping, Li Desheng, Yu Qiuli, Zhang Jingfu, Chen Pixian, Chen Xilian, Duan Junyi, Ji Pengfei, Kang Shien, Xi Zhongxun, Peng Chong, Ye Fei, Chen Muhua, Wang Hanbin, Ren Jianxin, Liu Fuzhi, Wang Renzhong, Gu Mu, Wang Guangying, Hu Sheng, and Qian Zhengying attended the ceremony for interring Chen Weida's ashes.

Deng Yingchao, Qiao Shi, Song Ping, Li Ruihuan, Tian Jiyun, Song Renqiong, Jiang Hua, Chen Pixian, Kang Shien, Peng Chong, Ye Fei, Ni Zhifu, Wang Fang, Liu Fuzhi, and Wang Guangying called on Comrade Chen Weida at his sick bed during his hospitalization. [passage omitted]

#### Leading Comrades Pay Last Respects to Li Zhen

OW1004111590 Beijing XINHUA Domestic Service  
in Chinese 1221 GMT 22 Mar 90

[Excerpts] Beijing, 22 Mar (XINHUA)—Fresh flowers and green cypresses surrounded the color portrait of New China's first female general, Li Zhen, who wore the uniform of a general when the picture was taken. This afternoon, leading comrades including Yang Shangkun, Song Ping, and Li Ruihuan, as well as several hundred officers and soldiers of the PLA [People's Liberation Army] and people of various circles went to the auditorium of the Babaoshan Cemetery of Fallen Revolutionaries to pay their last respects to this revolutionary, who took part in the First Revolutionary Civil War in China [waged by the Chinese people under the leadership of the Chinese Communist Party against the imperialists and the Northern warlords from 1924 to 1927] and the liberation movement for women.

Comrade Li Zhen, an outstanding member of the Communist Party of China, a long tested communist fighter, and an exemplary leader of our Army's political work, died of illness in Beijing on 11 March at the age of 83.

Wreaths were sent by Jiang Zemin, Li Peng, Chen Yun, Wan Li, Li Xiannian, Peng Zhen, Xu Xiangqian, Nie Rongzhen, Qiao Shi, Yao Yilin, Wang Zhen, Li Tieying, Wu Xueqian, Ding Guangen, Bo Yibo, Wu Qiuquan, Jiang Hua, Li Yimang, Yang Dezhi, Song Shilun, Zhang Aiping, Lu Dingyi, Hu Qiaomu, Duan Junyi, Geng Biao, Ji Pengfei, Huang Hua, Cheng Zihua, Xi Zhongxun, Peng Chong, Zhu Xuefan, Yan Jici, Rong Yiren, Ni Zhifu, Fei Xiaotong, Lei Jieqiong, Wang Fang, Chen Xitong, Wang Renzhong, Fang Yi, Kang Keqing, Lu Jiaxi, and others; the CPC Central Committee; the

Central Advisory Commission; the Standing Committee of the National People's Congress; the Central Military Commission; the Organization Department of the CPC Central Committee; the Ministry of National Defense; the three general departments of the PLA; the Discipline Inspection Committee of the Central Military Commission; various major military regions; various armies and services; the Commission of Science, Technology and Industry for National Defense; the Academy of Military Sciences; the PLA National Defense University; and party and government leading organs of Beijing Municipality, Hunan, Jiangxi, Hubei, and Yunnan Provinces, and Comrade Li Zhen's national city and county.

Qin Jiwei, Song Renqiong, Liu Huaqing, Yang Baibing, Wang Ping, Wang Shoudao, Liu Lantao, Li Desheng, Xiao Ke, Yu Qiuli, Zheng Jingfu, Chen Pixian, Chen Xilian, Kang Shien, Ngapoi Ngawang Jigme, Ye Fei, Liao Hansheng, Chen Muhua, Zou Jiahua, Ren Jianxin, Gu Mu, Yang Jingren, Wang Guangying, Deng Zhaoxiang, Ma Wenrui, Liu jingji, Wang Enmao, Qian Weichang, Cheng Siyuan, and Qian Zhengying attended the ceremony to pay last respects and sent wreaths.

Comrade Li Zhen was born in Liuyang County in Hunan Province. She took part in the 1926 revolution and joined the CPC in 1927. [passage omitted]

She was a candidate delegate to the Seventh CPC National Congress; a specially invited delegate to the 13th CPC National Congress; a member of the 12th Central Advisory Commission; a deputy to the First, Second, and Third National People's Congress; a member of the Standing Committee of the Fifth National People's Congress; a delegate to the National Committee of the First Chinese People's Political Consultative Conference; a member of the First and Second Executive Committee of the All-China Women's Federation; a member of the Presidium of the Third Executive Committee of the All-China Women's Federation; and a member of the Standing Committee of the Fourth Executive Committee of the All-China Women's Federation. She was conferred the military rank of major general in 1955. [passage omitted]

#### Central Advisory Commission Members Plant Trees

OW0604115690 Beijing XINHUA in English  
1131 GMT 6 Apr 90

[Text] Beijing, April 6 (XINHUA)—Vice-Chairman of the Central Advisory Commission (CAC) of the Chinese Communist Party Song Renqiong and more than 40 other CAC members planted trees at the Temple of Heaven Park today.

The tree planters, in their 70s and 80s, planted and watered more than 40 cypresses in the center of the park.

Members of the CAC have planted trees at this time of the year seven years running, according to the capital greening commission.

## East Region

### Fujian's Chen Guangyi Attends Lei Feng Soiree

OW1104063790 Fuzhou FUJIAN RIBAO in Chinese  
4 Mar 90 p 1

[Excerpts] A soiree entitled the "Path of Lei Feng" was held at the Taiwan Theater, Fuzhou, last night. Provincial party, government, and Army leaders Chen Guangyi, Hu Hong, Zhang Zongde, He Shaochuan, Zhang Yumin, and Chen Mingyi watched the show.

The soiree was jointly sponsored by the provincial party committee's Propaganda Department, the provincial Communist Youth League [CYL] committee, the provincial Culture Department, Army units stationed in Fujian, and the Fuzhou City CYL Committee. [passage omitted]

At the end of the soiree, Chen Guangyi and other leading comrades joined the audience in praising Lei Feng by singing loudly together the song "Let's Learn the Good Example of Lei Feng."

### Nanjing Commander Commends Fujian Soldier

OW1104015790 Fuzhou Fujian Provincial Service  
in Mandarin 1100 GMT 30 Mar 90

[Text] Recently, the Nanjing Military Region conferred the "Good Fighter Who Is Ready to Take Up the Cudgels for a Just Cause," a title of honor, on (Han Jingwen), deputy leader of the 3d Squad of the Guards Platoon of the former Fuzhou Office of the Logistics Department of the military region.

General Xiang Shouzhi, commander of the Nanjing Military Region, awarded a shiny Medal of Model Hero, Second Class, and conveyed the good news of having rendered meritorious service to (Han Jingwen). The Logistics Department of the Nanjing Military Region also promoted (Han Jingwen) to be a platoon leader and conferred the military rank of second lieutenant on him.

On 27 November last year, (Han Jingwen) happened to be at the scene of a case of manslaughter by a criminal armed with a gun, when he was buying a ticket at the Fuzhou Railway Station. No sooner had he witnessed the shooting incident than he took part in the chase after the criminal. When he caught up with the criminal, he made a sudden rush at him and knocked the gun out of his hand with his fist. With public security cadres and policemen, (Han Jingwen) captured the criminal alive. His heroic feat earned high praise from local party and government leaders, public security cadres and policemen, and the broad masses of people, and polished the image of the People's Army.

### Shandong's Jiang on Implementing Yimeng Spirit

SK1204040190 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 10 Apr 90

[Excerpts] On the morning of 10 April, the provincial committee for building spiritual civilization held a report meeting at the club in the Nanjiao Hotel in Jinan to invite the Yimeng spirit report group to give first report to more than 600 cadres of provincial-level organs at and above the section level. The Yimeng spirit report group was led by Wang Weitian, secretary of the Linyi prefectural party committee, and (Li Xiangdong), director of the Propaganda Department of the Linyi Prefectural party committee. [passage omitted]

The first report meeting held on 10 April was presided over by Ma Zhongchen, deputy secretary of the provincial party committee and chairman of the provincial committee for building spiritual civilization.

Wang Weitian, leader of the report group, gave an account of Yimeng Prefecture's situation in carrying forward the Yimeng spirit and promoting the building of the two civilizations. [passage omitted]

At the end of the report meeting, Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, touched on five views on how to study and publicize the Yimeng spirit.

1. To study Yimeng spirit, we should combine it with the study and implementation of the guidelines of the Fourth, Fifth and Sixth Plenary Sessions of the 13th Party Central Committee, and of the Third Session of the Seventh National People's Congress [NPC] and consider carrying forward the Yimeng spirit as a measure for guaranteeing the implementation of a series of important measures of the Party Central Committee, the NPC, and the State Council.

2. To study Yimeng spirit, we should also combine it with a campaign to learn from Lei Feng, Wang Tieren, Jiao Yulu and Lai Ning and with the emulation of senior people in our own departments and units, and form an extensive, indepth and continuous mass activity of learning from the experienced, paying attention to contributions and fostering new habits. We should persist in using socialist, collectivist and communist ideologies to occupy a position on the ideological front, and overcome and prevent the corrosive influence of all sorts of decadent ideologies.

3. To study Yimeng spirit, we should combine it with the study of the Marxist basic theories, particularly the Marxist philosophy, clarify and solve all sorts of existing confused understanding and erroneous viewpoints by integrating theory with practice, lead the broad masses of party members, cadres and the masses to uphold the four cardinal principles, oppose bourgeois liberalization, and win new victories in the struggle to oppose evolution, filtration and subversion.



4. To study Yimeng spirit, we should combine it with our efforts to do our own work well in an effort to promote the current work, to better grasp the two major tasks of stabilizing the situation and developing the economy and to comprehensively fulfill all tasks for this year. It is necessary to do more substantial and good things, stress action, and prevent great flourish work style and formalism.

5. To study Yimeng spirit, we should combine it with the practice of strengthening the ideology and work style of organs. All our party-member cadres should firmly foster the ideologies of serving as public servants and rendering services, adhere to the purpose of wholeheartedly serving the people, and maintain close ties with the masses.

Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government and the provincial Chinese People's Political Consultative Conference [CPPCC] Committee, including Zhao Zhihao, Liang Buting, Li Zhen, Lu Maozeng, Miao Fenglin, and Ma Zhongcai, attended the report meeting.

Before the opening of the report meeting, provincial leading comrades cordially met with all members of the report group.

### Central-South Region

#### Guangxi Secretary Speaks at Government Plenum

HK1104043590 Nanning Guangxi Regional Service  
in Mandarin 1100 GMT 10 Apr 90

[Text] The Guangxi Zhuang Autonomous Regional People's Government held its second plenary session of 1990 in Nanning today.

Regional party and government leaders Chen Huiguang, secretary of the Guangxi Regional CPC Committee; Cheng Kejie, acting chairman of the Guangxi Regional People's Government; Li Zhenqian, member of the Standing Committee of the Guangxi Regional CPC Committee and concurrently vice chairman of the Guangxi Regional People's Government; Long Chuan, vice chairman of the Guangxi Regional People's Government; and more than 100 responsible persons of various regional party and government departments, commissions, and bureaus attended today's session.

Comrade Cheng Kejie relayed the spirit of the recently concluded Third Plenary Session of the Seventh National People's Congress at the session and demanded that responsible persons of all regional government departments make every possible endeavor to make the forthcoming regional Chinese People's Political Consultative Conference [CPPCC] committee meeting and regional people's congress meeting, which are scheduled to be held in April, a complete success; consciously accept the supervision and consultation of all the regional people's congress deputies and all the regional

CPPCC committee members; report their work to the regional people's congress deputies and regional CPPCC committee members in the spirit of seeking truth from facts; and conscientiously listen to, modestly accept, and correctly view all the criticisms, suggestions, and views voiced by the regional people's congress deputies and regional CPPCC committee members at the two forthcoming meetings.

Comrade Cheng Kejie said that the two forthcoming regional meetings will provide a good opportunity for testing and appraising both the performance and the work efficiency of all regional government organs.

Comrade Chen Huiguang also delivered a speech at the session. In his speech, he said that the forthcoming regional people's congress meeting and the regional CPPCC committee meeting, which are scheduled to be held in April, will be an important event in the political life of Guangxi. All the leading organs and leading cadres in Guangxi must attach great importance to the two forthcoming meetings and regard them as a good opportunity for forging closer ties with the broad masses of the people in Guangxi and further improving their own work style.

Comrade Chen Huiguang called on all the comrades in Guangxi to make concerted efforts to turn the two forthcoming meetings into united, democratic, practical, victorious, and confidence-boosting meetings.

#### Henan Secretary Views Party-Building Work

HK1104043990 Zhengzhou Henan Provincial Service  
in Mandarin 1030 GMT 10 Apr 90

[Excerpts] During his inspection in southern Henan, Hou Zongbin, secretary of the Henan Provincial CPC Committee, repeatedly stressed the need for education on the indomitable revolutionary spirit and the fine traditions of hard struggle, self-reliance, united advancement, and selfless devotion, which were displayed by the people in the old liberated areas during the revolutionary-war years, among the broad masses of the cadres and people so as to further strengthen the party-building work as well as other types of work.

From 1 April to 10 April, Comrade Hou Zongbin carried out a 10-day inspection in southern Henan. Comrade Hou Zongbin mainly inspected Xinyang Prefecture and the Dabieshan area, which are old liberated areas in Henan. During his inspection, Comrade Hou Zongbin asked about the work of helping the poor and the party-building work in those two areas. He met with people who made enormous sacrifices during the revolutionary-war years and who have made great contributions to socialist construction in Henan, and held talks with a number of local cadres there. [passage omitted]

During his inspection, Comrade Hou Zongbin talked about the question of strengthening the party-building work under the new historical conditions. Comrade Hou Zongbin said that in order to promote party-building

work under the new historical conditions, it is necessary to implement to the letter the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, carry out education on the basic theories of Marxism, on serving the people heart and soul, and on adhering to the socialist orientation so as to enable the CPC to forever remain a vanguard of the Chinese working class.

Comrade Hou Zongbin emphatically pointed out that the essence of party-building work is the building of CPC leading organs, for competent CPC leading organs will be able to adhere to the socialist road, lead the broad masses of the people to strive forward and develop economy in the spirit of hard struggle and plain living, withstand all sorts of tests, and lead the broad masses of the people to build socialism with salient Chinese characteristics.

During his inspection, Comrade Hou Zongbin also listened to the work reports given by the leaders of Xuchang Prefectural CPC Committee, Luohe City CPC Committee, and Zhoukou Prefectural CPC Committee and exchanged views with these local leaders on the question of strengthening party-building work at all levels.

### North Region

#### Beijing Officials Visit Grass-Roots Units

OW1104230590 Beijing XINHUA in English  
1549 GMT 11 Apr 90

[Text] Beijing, April 11 (XINHUA)—Nearly 690 of Beijing's municipal officials at and above bureau level have gone to grass-roots units to help improve work and listen to the problems of the people.

On February 21 this year, the secretary of Beijing's Communist Party Committee, Li Ximing, and the committee's deputy secretary, Li Qiyang, led the first group of officials to the Beijing Switch Factory and Sanlitun Street in Chaoyang District. They spent 10 days doing investigations and research there.

Meanwhile, Mayor Chen Xitong and Deputy Mayors Zhang Jianmin and Wu Yi visited some industrial companies to help them solve some urgent problems in production and management.

#### Hebei's Xing Writes on Party Traditions

SK1204002190 Shijiazhuang HEBEI RIBAO  
in Chinese 9 Mar 90 p 1

[Article by Hebei CPC Committee Secretary Xing Chongzhi: "Display the Power of the Party's Fine Traditions"]

The Liuzhuang Colliery is a small local state-run colliery in Tangshan City. It did not draw the people's attention before. Since last year, however, it has aroused social concerns. The reason for this is that during the last few years, cadres of this colliery sincerely served as public

servants and wholeheartedly relied on the working class, thus arousing the miners' sense of responsibility of being masters of the state. Cadres and the masses exerted joint efforts, and during the crucial moment when enterprises met with difficulties, they worked with one heart and one mind and formed a strong contingent to work with concerted efforts and struggle arduously to help enterprises overcome difficulties one after another and to create good achievements in succession. The investigation report "The New Generation has Inherited the Old Traditions," jointly written by the Hebei Provincial CPC Committee and the Tangshan City party committee, has comprehensively and systematically introduced their experiences. The provincial party committee has decided to conduct a province-wide activity on learning from Liuzhuang, taking action, paying attention to traditions and fostering new habits, so as to make the experiences of Liuzhuang blossom and bear fruit on a larger plain.

At present, learning from and promoting Liuzhuang Colliery's experience has a strong practical significance. Since the beginning of the 1920's, our party has nurtured and tempered the traditional fine work style during the struggle to lead the people of various nationalities throughout the country to carry out the new democratic revolution, and the socialist revolution and construction, making this work style an important part of our country's outstanding cultural heritage. Despite the interferences caused by the "leftist" or rightist mistakes, this fine traditional work style has still produced an indelible radiance. Some people who had engaged in bourgeois liberalization attempted to negate our party's fine traditions which resulted in ideological confusion for a time. The western capitalist reactionary forces have practiced the strategy of "peaceful evolution," and have unceasingly carried out decadent ideological and cultural infiltration in an effort to undermine our party's fine traditions and to pin the hopes of carrying out capitalism on the younger generation. Therefore, the practical struggle has posed a very acute question: Should we continue to carry out our party's fine traditions? Is there any one who can carry out the traditions? This is a major issue affecting the future and destiny of our party and country. We must defend, inherit and carry forward the party's fine traditions in order to promote the modernization drive, reform and the opening-up undertakings, to realize the strategic goal of doubling the GNP again by the end of this century, to consolidate and perfect the socialist system, to smash the ideological infiltration and political subversion, and the activities on "peaceful evolution" carried out by the domestic and foreign hostile forces. We are pleased to see that cadres of the new generation of the Liuzhuang Colliery who have grown up after the founding of the country have inherited and developed the party's fine traditions. Just as the impression made by the masses of cadres who had heard briefings on the deeds of Liuzhuang, we were inspired by the people there and we saw the hope for our party and country there. So, learning from and promoting

Liuzhuang's experience is the common desire of the party and the people and has a definite meaning for the times.

Our party is the vanguard of the working class, serving the people wholeheartedly. The party's nature and purpose determined that the party must maintain close relations with the masses of people. This is also a very important traditional work style of our party. Cadres of a new generation of Liuzhuang Colliery have inherited and developed the fine traditions of the party. The party branch, administrative leaders and trade union organization and cadres at all levels of this colliery have a strong sense of being public servants. They believed in, relied on and served the masses, and persisted in following the mass line while carrying out their work. Leaders of this colliery fully listened to the opinions of workers while making major policy decisions concerning the colliery, and talked with them whenever things occurred. They resolutely did not do the things that the workers opposed and resolutely helped to carry out things that the workers supported and were in conformity with the policy stipulations from higher levels. Leading cadres of the colliery were of one heart with the workers. They worked painstakingly together, dashed toward dangerous work and retreated from fame and wealth, worked diligently, performed their duties honestly and justly, and took the lead in setting examples. Cadres sincerely respected, showed consideration for and strived to understand the workers. Workers also wholeheartedly and sincerely supported and cherished cadres. This close and harmonious relationship constitutes a motivating force and cohesion of this enterprise. Practice showed that maintaining close ties with the masses is our great political advantage. Once this fine tradition is inherited and promoted, it will produce a strong power.

Reviewing history, we know that our party was established, developed and grown in the course of maintaining close relations with the masses of people. We won one victory after another in our revolution and revolutionary cause by relying on the enthusiastic participation and support of the masses. Without the efforts of the masses of people and the flesh and blood relationship between the party and the people, we would have no way of carrying out the revolution and the construction undertakings. The masses of people are the source of strength and the foundation of victory in all our work. Therefore, the mass line of believing in and relying on the masses, getting the opinions of the masses and referring them back to the masses which our party created and developed during the protracted struggle is our party's fundamental line for our work. However, after our party became a party in power, particularly under the new situation of reform and opening up, some comrades had a blurred sense of maintaining close ties with the masses, and some even discarded it, thus giving rise to a passive and corrupt phenomenon of departing from the masses. Subjectivism that does not flow from the needs of the masses or from the reality while doing things, bureaucracy that does not go deeply to the

masses, not care for the feelings of the masses, and act as bureaucrats and overlords, 'commandism' as going against the will of a majority of people and not adopting a flexible work style, such 'tailism' as worshipping spontaneity and not guiding and urging the masses to advance forward have existed in some localities and units in varying degrees. Some cadres' practices of abusing their power and position to seek personal gain and engaging in profiteering, speculation, bribery and corruption have become a corroding damaging the relations between cadres and the masses. We must recognize that at present, some localities and units, affected by the aforementioned, have created tension in the relations between cadres and the masses, hindered the smooth progress of the improvement and rectification drive and the comprehensive deepening of reform, and affected smooth development in all fields of work. All these showed that our party is facing the tests of being a party in power and of working for reform and an open policy. These tests are concentratedly manifested in whether or not we can continue to maintain flesh and blood ties with the broad masses of people during the new historical period. The answer should be affirmative. Cadres of Liuzhuang Colliery have fostered a good example for us with their actual deeds. What they can do, others can do too. The most fundamental thing which we should do in order to learn from the Liuzhuang Colliery's experience and to maintain close ties with the party and the masses is to universally conduct a study and education drive again on the Marxist mass viewpoint and the party's mass line. Before the existence of Marxism, the idealist conception of historical heroes played a dominant role. Only Marxism could reverse the reversal of history and realistically and scientifically solve the fundamental issue of having people create history for the first time. This was also the quintessence of historical materialism. However, for a time, some people spread rumors of one kind or another and openly negated the basic principle that history was created by the masses of people. Through restudy and reeducation, we should criticize all manifestations of the idealist conception of historical heroes and realistically enable the broad masses of cadres, particularly leading cadres at all levels, to firmly foster the viewpoint that the masses are the creators of history. Only by solving this problem can the viewpoint that cadres are the people's public servants, the viewpoint of believing in and relying on the masses, the viewpoint that the power of leaders is given by the people, and the viewpoint that being responsible to the higher levels is identical to being responsible to the people be established. And only by this means can we realistically implement the party's mass line well while doing our work. This is an ideological guarantee for restoring and promoting the fine tradition of maintaining close ties between the party and the masses.

To maintain close ties between the party and the masses, at present we must make special efforts to encourage cadres at all levels, particularly leading cadres, to go deeply to the grassroots and to the masses to conscientiously conduct investigations and study, to do the mass



work well and turn the party's line, principles and policies into the conscious action of the masses. Leading cadres should free themselves from the shackles of "numerous documents and meetings," and all sorts of administrative businesses, set aside a certain period of time every year to go deeply to the rural areas, plants, and schools to stay at selected units to conduct investigations and to analyze typical cases, so that they will have an idea of the overall situation and typical cases at hand and can make their overall policy decisions and guidance on the basis of objective reality. We should listen to the voice of the masses, strive to understand their hardships and conscientiously improve our work. It is necessary to actively clear and broaden the channels for establishing ties with the masses, promote democracy, encourage the free airing of views, and adopt those views that are constructive. We should consciously make more bosom friends who dare to reflect true facts and through them, directly understand the wishes of the masses and grassroots cadres, and avoid being hoodwinked by false "information" which may lead to miscalculations in policymaking.

We are convinced that all people will have some thoughts after studying Liuzhuang Colliery's experience, exert efforts to inherit and promote the party's fine tradition of establishing ties with the masses, act like cadres of Liuzhuang Colliery, do solid work to improve relations between cadres and the masses, and create our own images of the people's public servants.

### Northwest Region

#### Further on Xinjiang Unrest

##### AFP Reports Ethnic Rioting

HK1104120690 Hong Kong AFP in English  
1205 GMT 11 Apr 90

[By Robert MacPherson]

[Text] Beijing, April 11 (AFP)—Moslem unrest has spread to Urumqi, capital of China's northwest Xinjiang region, following reports of ethnic rioting in other towns in which 50 to 60 people may have died, travellers said Wednesday.

Quoting local sources, the Western travellers said Moslems demonstrated Tuesday in front of a local mosque to protest reported ethnic violence Thursday and Friday in three other Xinjiang towns.

No foreigners were known to have seen the Urumqi protest, but it was apparently serious enough for nervous Chinese authorities to confine tourists to their hotels without giving them an explanation.

Urumqi, split into Moslem and Chinese districts, is normally open for foreigners to move freely in.

One Japanese businessman who spent a week in Urumqi and returned to Beijing Wednesday said he was told by a

taxi driver there that "riots" had occurred, and that he should "be careful" when going out in the normally sleepy city.

The taxi driver specifically told him to steer clear of the bazaar, where Urumqi's Moslems, virtually all Turkic-speaking Uygurs, congregate.

Other travellers, requesting anonymity, said they were told by several sources in Urumqi that 50 to 60 people were killed in ethnic violence last week in a town 30 to 50 kilometers (20 to 30 miles) from Kashgar.

There has been no official confirmation of persistent reports that Chinese troops were airlifted Friday to quell two days of rioting in Kashgar and two other towns, Hotan and Kuqa.

An official in the Xinjiang regional government's foreign affairs office, telephoned by a Western reporter in Beijing, said reports of 50 dead were "not accurate." He refused to elaborate.

Since Friday, foreigners in Urumqi have been denied air and bus tickets to Kashgar, an ancient staging post on the fabled Silk Road through Central Asia that was once travelled by Marco Polo.

Islamic fundamentalism is said to be strong in Kashgar, more than 1,100 kilometers (660 miles) from Urumqi, and in other towns near the rugged frontier with Afghanistan and Pakistani-controlled Kashmir.

It is less pronounced in Urumqi, which has a large Han Chinese population.

Travellers said they regularly saw Moslems in Urumqi ignoring Ramadan, Islam's holy month of fasting, which continues through April 26.

Uygurs make up nearly half of Xinjiang's total population of 13.8 million, according to official figures. Other ethnic groups include Kazakhs with kin in neighboring, restive Soviet republics.

China regards Xinjiang as a strategic buffer area, rich in mineral resources and home to a top-secret nuclear testing base in the vast, bleak Taklimakan desert.

Last month Xinjiang delegates to the National People's Congress, China's rubber-stamp parliament, warned that ethnic unrest in the Soviet Union threatened to spill over the border.

In a cryptic report in its April 4 edition, received here Wednesday, the official Xinjiang Daily newspaper said Communist Party officials in the Ili Valley, a Kazakh region on the Soviet border, had "resolutely banned illegal groups which disrupt the relationship between nationalities and the unity of the motherland."

They also took "effective measures" to deal with "hot issues" and resolve "unstable factors," it said, employing official buzzwords often used to allude to nationalist unrest.

The same report also spoke of flour, coal, water and electricity shortages in the valley's main city, Yining.

The Xinjiang Legal News, in its March 31 edition, gave another hint of official nervousness. It said police throughout the region were banning the production and sale of toy guns, immensely popular elsewhere in China.

#### **Nationalities 'Living in Harmony'**

*OW1204090190 Urumqi Xinjiang Television Network  
in Mandarin 1400 GMT 11 Apr 90*

[Announcer-read report over video; from the "Xinjiang News" program]

[Text] [Video opens with shots of award ceremonies, followed by clips of people of different nationalities helping each other and celebrating festivals] Party committees at all levels in the autonomous region are paying special attention to doing a good job of uniting people of different nationalities. People of all nationalities throughout Xinjiang are living in harmony and with brotherly love for each other. They also are jointly contributing to safeguarding stability and unity, to unifying the motherland, and to building and defending China's frontier.

Leaders at all levels in the autonomous region always have regarded as their important tasks the implementation of the party's policies toward the nationalities and the strengthening of unity among the various nationalities. They regularly look into and resolve problems occurring in the course of implementing policies toward the nationalities. They have made vigorous efforts to give publicity to model units in promoting the work of national unity and to give publicity to the deeds and experiences of the advanced units and individuals. They have done so to foster a Marxist outlook on nationalities and a sense of mutual dependence among cadres and people of different nationalities.

Since 1983, the month of May has been designated National Unity Month. National Unity Month activities have expanded during the last several years. A large number of advanced collectives and individuals concerned with promoting national unity have appeared in all parts of Xinjiang. At the 1988 national award meeting for unity and progress in nationalities areas, 94 advanced collectives and individuals from Xinjiang were commended by the State Council. In recent years, 29 counties and cities have been named model counties or cities in promoting national unity and Army-people unity by the regional, prefectural, or city authorities.

### LIAOWANG Article Views Reunification

HK0704050790 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 14, 2 Apr 90 p 1

["Newsletter From Beijing" by Bao Xin (7637 0207):  
"The General Trend of Reunification of the Motherland  
Is Irresistible"]

[Text]

[Dated] 26 March 90

My dear friend:

Reunification of the motherland has been a highlighted topic during this year's "two meetings." "The Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China" (draft) has been submitted to the current National People's Congress [NPC] for examination and approval. Here, not only can we see the historical process of Hong Kong returning to the motherland, but also the strong vitality of the great concept of "one country, two systems." All Chinese people, including those in Hong Kong, are excited about this, are they not?

The decade of the 1980's has already elapsed, and the decade of the 1990's has just begun. Standing on the watershed of the two decades, whether we look backwards or forwards, our minds are difficult to settle. In the 1980's, the CPC Central Committee and Deng Xiaoping proposed the concept of "one country, two systems," and the great undertaking of reunification of the motherland has since gained important progress. By the end of the 1990's, the return of Hong Kong and Macao to the motherland will become a reality, and China will eventually accomplish these two historical missions which have great significance.

The examination and approval of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China is one of the important achievements in the great undertaking of reunification of the motherland. After the Chinese and British Governments announced the Joint Declaration, the Chinese Government has always persistently adhered to the principle of the joint declaration, as well as performed its own obligations. The examination and approval of the Basic Law will provide an important guarantee for the future stability and prosperity in the Hong Kong areas. Mr T. K. Ann, member of the National Committee of the Chinese People's Political Consultative Conference, and vice chairman of the Committee for Drafting the Basic Law, has brought about the wish of the Hong Kong people to Beijing this time. He said, the Basic Law has been generally welcomed in Hong Kong, now, the mind of the Hong Kong people is more stable, and those who left several years have wanted to return. The firm principle of the central government, the assurance from the Basic Law of Hong Kong, and the confidence of various circles in Hong Kong, are the foundation for future stability and prosperity in Hong Kong.

The returning of Hong Kong to the motherland is a concrete embodiment of "one country, two systems." If it has to be two systems, there must be mutual respect for each other's social system, and both should get along well. Of course, Hong Kong compatriots, as citizens of the PRC, in accordance with law, have power to take part in administering the country. The majority of people in the Hong Kong areas love the country; they hope to see stability and prosperity in Hong Kong, as well as in the country. In order to ensure a smooth transfer of political power during the transition period, the Chinese and British Governments must continue cooperation.

Drawing upon the successful experience of the drafting of the Basic Law of Hong Kong, the work in drafting the Basic Law of Macao, which is now under way, will also be smooth, I believe. Macao will see prosperity and stability, like Hong Kong.

People have seen the hope of reunification of the motherland from the returning of Hong Kong and Macao to the motherland. When the NPC examines and approves the Basic Law of the Hong Kong Special Administrative Region, the mainland people will naturally think of Taiwan compatriots across the strait. During the past period of more than 10 years, some important changes have taken place in the situation of the Taiwan Strait, relations between both sides across the strait have changed from tense confrontation to gradual relaxation, ending the long-term cutting off, and starting mutual interactions. Generally speaking, it is moving to the direction beneficial to the country's reunification. This is the historical trend, in accordance with the basic interest of the Chinese nation, and the long-cherished common aspiration of the people on both sides across the strait.

However, we should also perceive that although there have been the above-mentioned changes, basically speaking, many kinds of deliberate estrangement in the relations between both sides have yet to be broken through, and the obstacles to reunification of the motherland have yet to be removed. In recent years, the Taiwan authorities have acted against the people's will, continued adhering to its stubborn stand of opposing communism and refusing peace, tried hard to implement the "flexible diplomacy" and "double recognition" in the international arena, and carried out activities of "one China, one Taiwan" and "two Chinas." It is particularly noteworthy that recently some people with secret intentions stirred up a countercurrent preaching "Taiwan independence" on the island, openly advocating the separation of Taiwan from the motherland. This will be resolutely opposed by the entire Chinese people, and will never be ignored by the Chinese Government.

Peaceful reunification of the motherland is the trend of the times and desire of the people. The mainland is willing to exchange ideas with various parties, groups and learned persons of various circles in Taiwan, to discuss together the great undertaking of reunification of the country, and to increase links and exchanges in



various areas such as economy, culture, science, technology, sports etc., between both sides across the strait. The mainland also welcomes Taiwan industrialists to the mainland to invest; to run individual enterprises, joint-venture enterprises, cooperative enterprises; and to develop whole stretches of land, building together an export-oriented economy. Corresponding to this, the Taiwan authorities should also further change the policy on restricting Taiwan businessmen going to the mainland for investment.

[Signed] Yours faithfully,  
Bao Xin

### Article Views Intermediary Organizations

HK1204040790 Hong Kong LIAOWANG OVERSEAS  
EDITION No 15 in Chinese 9 Apr 90

[Article by Chen Dinglin (7115 7844 2651): "Intermediary Organizations—A Bridge That Links Up the Two Sides Across the Strait"]

[Text] Not long ago, Fujian Province's Taiwan Laws Research Center, Taiwan Affairs Office, and Taiwan Laws Research Institute held in Fuzhou a "Symposium on Matters Regarding the Establishment of Intermediary Organizations for the Two Sides Across the Strait [IOS]," which was attended by over 20 Chinese and overseas experts and scholars. They carried on a wide-ranging discussion on matters regarding the establishment of intermediary organizations for facilitating communication between the two sides across the strait."

### Prerequisites for the Establishment of Intermediary Organizations

In recent years, nongovernmental exchanges of various sorts between the two sides across the strait have become more frequent daily, especially in the aspect of economic and trade activities. Their indirect trade volume has been continually increasing, and investment by Taiwan firms in the mainland has also been increasing rapidly. However, for reasons known to all, various kinds of contact between the two sides have encountered many practical difficulties, for instance, a lot of problems are to be solved between the two sides through negotiation in the following areas: Property inheritance, marriage relations, children adoption, the provision of economic information and services, the settlement of economic and trade disputes, and the protection of the legal rights of consumption.

"Under these circumstances, it is quite necessary to establish intermediary organizations for communication and for strengthening the relations and ties between the two sides," said Song Jun, vice general secretary of the Fujian Provincial Taiwan Laws Research Center. "Judging from the actual situation, it is also feasible to establish intermediary organizations for the two sides," he continued. It is learned that there has already been some discussions on the establishment of such organizations among Taiwan newspapers. Some people propose

the establishment of "the China Relations Funds Association" and its branches in such places as Beijing, Shanghai, Xiamen and Guangzhou. Some suggest "the China Relations Coordination Association" be established." Others advise the business circles of the two sides to set up "the Business Affairs Coordination Association." "The Temporary (Draft) Law for the People in Taiwan and Those in the Mainland" formulated by Taiwan's "Executive Yuan" has also made some corresponding requirements for intermediary organizations. Some lawyers in Taiwan and Fujian have even tentatively established joint lawyer offices on both sides across the strait. They are doing some business now.

Song Jun told this reporter that the question of establishing intermediary organizations for the two sides has also drawn the attention of relevant departments and academic circles in the mainland. Coastal provinces and cities including Fujian and Guangdong are now planning to establish some intermediary organizations for economy and trade such as "the Investment and Trade Information Corporation," and "the Mediation Company." Generally speaking, there are already enough prerequisites for the establishment of intermediary organizations.

### The Objective: Solving Problems, Strengthening Links

The various problems encountered by people on the two sides across the strait can be summarized by economic and legal aspects.

In view of this characteristic, intermediary organizations can also be roughly divided into the economic and legal types. Song Jun said: Intermediary organizations under the economic type will render services regarding economy and trade, such as providing economic and trade information, and introducing trade and investment partners. Those under the legal type can offer services relating to legal matters to people on the two sides, and make legally effective documents in various areas such as property inheritance, investment and trade disputes, trademarks, patents, and legal problems arising from the use of copyrights.

"Of course, it is impossible for us to establish a multi-function and all-inclusive intermediary organizations now," said the legal expert. "At the moment, intermediary organizations can be restricted to some areas that are urgent and easy to handle. When we have gained some experience, we will be in a position to expand them."

Establishing intermediary organizations for the two sides across the strait is something meaningful. Song Jun maintained that this is not only favorable to the two sides in starting some work that is not easy to start directly and in solving some problems that are difficult to solve at present. With the communication among intermediary organizations, it will bring the two sides closer to each other in various areas, and will give impetus to "the links in trade, air and shipping services" and the reunification of the motherland.

#### **Locations for Intermediary Organizations and Their Pattern**

Where shall intermediary organizations be established? What pattern shall be used for these organizations? These were the questions discussed enthusiastically at the IOS. Experts and scholars held different ideas and put forward many suppositions. Mr Song summarized them in following for this reporter:

- the mainland and Taiwan should establish parallel organizations on their own such as the organization that notarizes;
- the mainland and Taiwan should establish their own relevant intermediary organizations, and with these organizations as the basis, they should establish a general intermediary organization in Hong Kong, forming an intermediary connection network;
- with Hong Kong as the intermediary point, the mainland and Taiwan should establish relevant intermediary organizations there;
- they should establish relevant intermediary organizations with the help of the business and legal circles in Hong Kong, and through them both sides will be able to maintain relations and ties.

#### **Intermediary Organizations Should Be Nongovernmental**

At the present stage, the intermediary organizations to be set up between the two sides can only be nongovernmental ones.

"This is also the common point agreed at by experts and scholars at the symposium," explained Song Jun. "In some ways, these nongovernmental organizations are only formalities because they will already have had the "approval" of the relevant governments. They are "nongovernmental" in name and "governmental" in reality.

When talking on the characteristics of the intermediary organizations for the two sides across the strait, Song Jun said: "The nongovernmental nature of intermediary organizations determines that they at least have the

following characteristics: First, they can solve specific and actual problems, and are especially aimed at them. Second, it is impossible and unnecessary for them to be all-purpose and all-inclusive. Third, they possess superior authority and gain people's universal confidence. Fourth, they are recognized or tacitly approved by "governments."

#### **Governments Should Be Positive**

The establishment and development of intermediary organizations, which are an integral part of various exchanges between the two sides across the strait, will be restricted with the relations between the two sides. Therefore, to gain the recognition and support of the governments is very important.

Song Jun held: "If the governments do not recognize or support the relevant intermediary organizations, they can only be nominal and cannot function as they should. In view of this, the PRC Government and the Taiwan authorities should be positive toward them and should approve whatever is beneficial to the exchanges between the people across the strait."

Song Jun said: "In handling the relations between the two sides across the strait, the Taiwan authorities are negative in some respects and positive in others. With respect to the recognition of only one China, their Temporary (Draft) Law for the People in Taiwan and Those in the Mainland also contains some positive contents including the regulations for intermediary organizations. He hoped that the Taiwan authorities and relevant people should make it their goal to strive for the reunification and prosperity of the motherland, and in particular should positively support the establishment of these organizations. On the other hand, the mainland should stick to the principles of having only one China and of the fact that the PRC is the only legitimate representative of China. Moreover, it should be more flexible, practical and positive, and adopt and work out corresponding policies to recognize the intermediary organizations established by Taiwan.

**Commentary Views Xinjiang Minority Unrest***OW1104191090 Taipei CNA in English 1500 GMT  
11 Apr 90*

[Commentary by the Broadcasting Corporation of China: "Peking Quells Riots in Sinkiang"—"it does not reflect the opinion of CNA"]

[Text] Taipei, April 11 (CNA)—In reaction to rising minority unrest in the remote region of Sinkiang [Xinjiang], in northwestern Mainland China, the Chinese Communist regime has sent in troops to restore order. News from Sinkiang is scarce, partly because foreign travelers have been banned from entering the area. But some reports indicate that violence has occurred, and that as many as fifty persons were killed.

Sinkiang is a vast desert and mountain region. It is home to only fifteen million people, half of whom are Moslems of Turkic [Tajik] origin. The Uighurs [Uygurs] make up the majority of the various ethnic groups in Sinkiang.

The unrest comes on the heels of similar ethnic stirrings across the border in the Soviet Central Asian Republics, most notably Tajikistan. There, Moslem groups have been pressing Moscow for more autonomy, and in some cases total independence. Now, it seems that fervor has spread along ethnic and religious lines into the Moslem areas of Sinkiang.

The trouble is brewing near the fabled, ancient city of Kashgar, a main point along the old Silk Road which connected China with Central Asia, the Middle East and Europe in ancient times.

Peking had sent two negotiators to Kashgar last week. But when talks broke down, the two men from Peking were murdered. That tragedy caused Peking to send in the troops to restore order.

But sending in the troops is only a temporary solution to nagging problems in Sinkiang. Like Tibet to the south, Sinkiang is meant to be an autonomous region of China. Yet, unlike the nationalist Chinese Government before it, the Chinese Communist regime has never permitted genuine autonomy in any of China's remote provinces or regions. Instead, Peking opts for communist-style, totalitarian control, by gunpoint.

When it comes to such abuse, Tibet has made most world headlines. There, Peking has repeatedly reneged on promises of autonomy and subjugated the Tibetan people through an ongoing reign of terror.

Now, it looks as though Sinkiang may be next on the abuse list, a sitting duck for Peking's communist wrath. If Peking uses the same tactics it has unleashed upon Tibet, Sinkiang could become equally explosive.

Because of the overlap of ethnic and religious groups on the Sino-Soviet border, Peking will necessarily have to mind the manner in which Moscow handles its version of the unrest. If Soviet President Mikhail Gorbachev comes up with a more creative, more just solution to the

problems, Peking would likely find itself in yet another corner of embarrassment. The Chinese Communists are already reeling from the democratization that has reshaped the East bloc in recent months. Thus far Peking has rejected those reforms, and ignored events in the Soviet Union. Ignoring trouble in Sinkiang may not be as simple.

The dumb thing about both Tibet and now Sinkiang is that ethnic unrest could have avoided in both had Peking recognized age-old principles of autonomy for those regions. But hands-off communist rule is like the honest thief—a contradiction in terms. Thus, Peking has not been able to help itself in making life unbearable for minority people in these remote regions.

Sinkiang could turn out to be another test for Peking with regard to the Hong Kong issue. In 1997, Hong Kong is slated to become another autonomous part of Communist China. Peking has failed miserably to impress Hong Kong Chinese with its actions in Tibet. If Sinkiang becomes part two of that tragedy, the Hong Kong Chinese will likely lose all confidence in Peking.

**Premier Reiterates 'Flexible Foreign Policy'***OW1104194790 Taipei CNA in English 1611 GMT  
11 Apr 90*

[Text] Taipei, April 11 (CNA)—Premier Li Huan said Wednesday that the government of the Republic of China [ROC] would like to extend both material and spiritual assistance to fellow countrymen on the mainland as long as the help will not threaten Taiwan's security and people's lives and properties.

If the Chinese Communists renounced their "four cardinal principles" and implemented democratization, "we would broaden contacts with Mainland China," he said in an interview with China Television Service in Taipei.

Peking's four principles are insistence on socialism, Marxism-Leninism, and Maoist thought, communist leadership, and the dictatorship of proletariat.

As to foreign policy, the premier said that the government would continue to carry out its current "flexible foreign policy," which seeks to intensify economic and trade ties with friendly countries, and thus to prepare for diplomatic breakthroughs.

**Minister Stresses Practical Mainland Policy***OW1104194490 Taipei CNA in English 1617 GMT  
11 Apr 90*

[Text] Taipei, April 11 (CNA)—Economics Minister Chen Li-an said Wednesday that the government needed to adopt a practical economic and trade policy toward the China mainland in order to solve the nation's current economic problems.



Minister Chen, a member of the ruling Kuomintang's [KMT] Central Standing Committee, told the KMT decisionmaking body in its weekly meeting that the Republic of China [ROC] has encountered a number of economic problems which it must seek to resolve as soon as possible if the nation is to continue its economic development. The problems, according to Chen, include the deterioration of social order which can hurt investment will, [word indistinct] the decline of government autonomy which had delayed major construction projects, the credit-tightening policy which had caused financial difficulties for small and medium-size enterprises, and speculative money games which had eroded the foundations of economic development.

To seek an early solution of these problems, Chen said the government should encourage local enterprises to invest overseas, improve the domestic investment environment, help small and medium companies sharpen their competitive edges, and adopt a practical economic and trade policy toward the Chinese mainland.

On trade and economic relations between the two sides of the Taiwan Straits, he said his ministry would continue to gradually ease restrictions on indirect trade between Taiwan and the mainland.

The minister added, however, that direct trade with the communist-controlled area should not be permitted abruptly because any major change in economic and trade relations across the straits should take political factors into account.

Minister Chen also pointed out that one of the government's major concerns about Taiwan's growing economic and trade ties with the mainland was that such developments should not adversely affect local economic development.

Because of this concern, the government would carefully review its mainland economic and trade policy at every step, make adjustments on "the principle of elasticity," and seek to ensure that the mainland economic activities of local businessmen would be explicitly protected.

#### **Minister Backs Talks on Direct Mainland Flights**

*OW1004042690 Taipei CNA in English 0309 GMT  
10 Apr 90*

[Text] Taipei, April 10 (CNA)—Communications Minister C.P. Chang said Monday that he supported civilian negotiations with mainland China on direct flights to the mainland.

Replying to interpellations at the Legislative Yuan Communications Committee, Chang suggested that the government authorize a private organization to discuss with a mainland counterpart.

Such a government-supported organization would be needed in the future to handle civilian exchanges between two sides of the Taiwan Straits, Chang said.

He also told the legislators that he personally supported charter flights carrying the Chinese Taipei Asian Games team to Peking in September "as long as the government approves" the proposal.

Asked if the government would permit foreign airlines to fly Taiwan-mainland routes, Chang said that because they were "domestic routes," Republic of China airlines would be preferred.

#### **Academic Foundation Open to Mainland Students**

*OW1204043890 Taipei CNA in English 0235 GMT  
12 Apr 90*

[Text] Taipei, April 12 (CNA)—Education Minister Mao Kao-wen said Wednesday that he had never instructed the Chiang Ching-kuo International Academic Exchange Foundation to reject applications for research grants by mainland Chinese scholars.

Minister Mao made the remark while replying to an interpellation by Legislator Chao Shao-kang on applications for such grants.

Chao suggested the Government allot a quota for Mainland Chinese students so they could study in Taiwan and better understand Taiwan's development in many fields.

Referring to another of Chao's suggestions that the government permit college presidents to visit the China mainland, Mao said a proposal to permit academic, cultural, and sports personnel to visit the mainland was under study. He said that if the proposal were approved, many restrictions could be further relaxed.

#### **Parliamentarians May Visit Mainland**

*OW1204032890 Taipei International Service in English  
0200 GMT 6 Apr 90*

[Text] The Ad Hoc Group on Mainland Affairs has decided to allow parliamentarians to visit Mainland China as private individuals. That is, they cannot go as a group, calling itself a parliamentary mission. The spokesman for the mainland affairs also said that parliamentarian visitors must also abide by the laws of the Republic of China while in the mainland. The Ad Hoc Group also approves mainland visits by the lowest echelon of government employees. They include office boys and chauffeurs of government agencies.

#### **Marketing Organization Planned for Hong Kong**

*OW1204043790 Taipei CNA in English 0232 GMT  
12 Apr 90*

[Text] Taipei, April 12 (CNA)—The Republic of China [ROC] would redouble its efforts to tap the rich potential of the Hong Kong market by establishing a new marketing organization in the territory, the Economics Ministry reported Wednesday.

The ministry said a "Taiwan Product Exhibition Center," likely to replace an existing ROC Marketing

Office that had not been efficient enough, would seek to promote "Made-in-Taiwan" products with new and more aggressive strategies.

On display at the new center would be the latest and best ROC products that would demonstrate the outstanding quality of products from Taiwan, according to the ministry.

Hong Kong itself was an important market and its role as Asia's busiest transshipment center made it even more attractive, the ministry said. If ROC products could make inroads into Hong Kong, that might hopefully open doors for them leading to the huge mainland Chinese market.

#### **Solomon Islands Minister, Barry Goldwater Visit**

*OW0704213190 Taipei CNA in English 1548 GMT  
7 Apr 90*

[Text] Taipei, April 7 (CNA)—Premier Li Huan said Saturday the Republic of China [ROC] attached importance to relations with the Solomon Islands.

Receiving Solomon Islands' Foreign Affairs and External Trade Minister Baddeley Devesi, Premier Li said he hoped that more exchange of visits by officials of the two countries would strengthen trade and economic cooperation.

He thanked the minister for his country's support of the Republic of China in international arenas.

Devesi said his country is the third largest island nation in the South Pacific and has made considerable contributions to regional stability and development.

He hoped that the ROC would send more agricultural experts to his country and help train personnel needed for land reform to expedite economic development there.

Premier Li also met with Barry Goldwater, former United States senator known for his staunch support for the ROC, on Saturday.

The premier predicted that the Chinese Communist regime would eventually bow to the public demand for reform and give up its "four cardinal principles."

"When Communist China marches toward freedom and democracy," the premier said, "it would be time for the ROC to unify the whole of China."

He told Goldwater that the government's open-door policy toward the Chinese mainland would continue to expand the ROC's influence on the mainland.

#### **Minister Decorates West German Parliamentarian**

*OW1104194590 Taipei CNA in English 1601 GMT  
11 Apr 90*

[Text] Taipei, April 11 (CNA)—Foreign Minister Lien Chan conferred the Order of Brilliant Star With Violet Grand Cordon on German parliamentarian Hans-Heinz Hauser in recognition of his outstanding contributions to improving friendship between the two countries.

Hauser said that for many years his country had little understanding of the Republic of China [ROC], but that after he began his efforts to introduce the ROC to his fellow countrymen they had gained better understanding of the nation.

Hauser, deputy chairman of the Parliamentary Group of Christian Democratic Union-Christian Social Union, is leading a delegation which arrived in the Republic of China on April 5. He last visited Taiwan in 1984.

Premier Li Huan met with the German parliamentarian at the Executive Yuan later in the day.

Li said that trade, cultural, tourism, and scientific technological exchanges between the two countries had increased considerably in recent years despite a lack of diplomatic ties.

Still he hoped Hauser could help simplify West Germany's visa application procedures for ROC nationals.

Hauser also briefed Li on the purposes and development of the 1992 single European market and then made recommendations to help ROC enterprises cope with the unified market.

#### **Economics Minister To Visit Southeast Asia**

*OW1204062490 Taipei International Service in English  
0200 GMT 5 Apr 90*

[Text] The Chinese language ECONOMIC DAILY NEWS reports Wednesday that Minister of Economic Affairs Chen Lu-an will visit Malaysia, Thailand, and the Philippines later this month.

Chen will request the three governments to allow overseas banks to establish branches and expand financing services.

He also beseeched the three governments to offer would-be overstayed visitors and simplify handling of visa applications. Moreover, he would sign bilateral agreements on investment guarantees and prevention of double taxation.

During his stay in the three Southeast Asian nations from 22 April to 2 May, Chen will also participate in seminars attended by Taiwan investors to learn more about the conditions under which they now operate there.

According to official estimates, overseas investors channelled a total of 1.8 billion U.S. dollars to these three Southeast Asian nations last year.

**President Urges Construction of Naphtha Cracker**

*OW1104194990 Taipei CNA in English 1525 GMT  
11 Apr 90*

[Text] Taipei, April 11 (CNA)—President Li Teng-hui Wednesday asked the government agencies involved to set a timetable as soon as possible for the construction of the nation's fifth naphtha cracking plant which has been considered crucial for the future development of the local petrochemical industry.

President Li, also chairman of the ruling Kuomintang [KMT], gave his instructions during a weekly meeting of the KMT Central Standing Committee.

Immediately after the meeting, Vice Economics Minister Wang Chien-shien told reporters that the government might announce in May or June the date for the beginning of construction on the project which had been delayed for years due to opposition from environmentalists and local residents.

Wang explained that it would be appropriate to make the announcement in May or June because the Chinese Petroleum Corp. [CPC] refinery in the southern Taiwan port city of Kaohsiung would have begun using liquefied natural gas (LNG) then.

The use of LNG was expected to reduce pollution at the CPC Kaohsiung refinery, the planned site of the new naphtha cracking plant, and thus help ease the worries of

local residents who had feared the new plant would cause even more serious pollution, he added.

"First, we want to alleviate residents' worries by showing the concrete results of our pollution control efforts. Then, we should announce the time to start the project," the vice minister said.

The government would also promise residents that the CPC naphtha cracking plant would stop operations if it failed to meet pollution control requirements, Wang said.

**Nuclear Weapons Reportedly Being Sought**

*OW1104180990 Taipei CHINA POST in English  
6 Apr 90 p 16*

[Text] The Republic of China [ROC] has been listed as one of nine nations capable of producing nuclear weapons, according to the British magazine JANE'S DEFENSE WEEKLY.

Citing American and Swedish sources, JANE'S said Iran, Chile, South Korea and Libya were potential producers of nuclear arms, given their current level of technology and political backgrounds.

The ROC, Algeria, Brazil, Columbia and North Korea are also seeking to develop their own nuclear weapon systems, said the magazine.

Other countries with plans to develop nuclear arms include South Africa, Israel and Pakistan, the weekly added.

The world's five largest producers of nuclear arms are the United States, the Soviet Union, France, England and Communist China.



## Hong Kong

### Report Notes Changes in Sino-U.S. Trade

HK1204072790 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0822 GMT 8 Apr 90

[Report by Li Xiaozhun (2621 1321 6150): "Hong Kong Trade Development Council Pays Close Attention to the Influence of the Changes in Sino-U.S. Trade Relations on Hong Kong"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 8 Apr (ZHONGGUO TONGXUN SHE)—The Hong Kong Trade Development Council has expressed concern over the recent situation and development of Sino-U.S. trade relations. Chiu Ta-hung, assistant administrative director of the council, pointed out that if the U.S. Congress cancels the most-favored-nation treatment for China, not only will it lead to a retrogression of bilateral trade between China and the United States, but it will influence to some degree the entrepot trade of Hong Kong, which has very close economic relations with both China and the United States. It will even affect Hong Kong's entire economy.

Mr Chiu Ta-hung said in his analysis that in recent years bilateral Sino-U.S. trade has developed quickly, and Hong Kong, as an important entrepot between China and the United States, has greatly benefited. Last year, of the \$9.2 billion entrepot trade passing through Hong Kong to the United States, more than 90 percent was from the mainland, while among the imports of \$5.9 billion to Hong Kong, \$2.9 billion went to the mainland. Mr Chiu stressed that over the past several years, one of the important factors in Hong Kong's economic prosperity has been the close coordination between China and Hong Kong. Therefore, once China loses the most-favored-nation treatment from the United States and reduces exports to and imports from the United States, Hong Kong's entrepot trade will suffer from losses that are not calculable. On the other hand, among the 10,000 factories of various kinds set up by Hong Kong in the mainland, many have trade relations with the United States; if the most-favored-nation treatment is canceled, taxes and costs will be increased, thus weakening competitive ability. This would be quite a blow to Hong Kong industrial and commercial circles.

Chiu Ta-hung thinks that if Hong Kong's status of entrepot is weakened, Hong Kong's entire economy will be affected in the long run, and the plan for constructing the future Lantau airport and some container berths might be affected to some extent. In light of this, Chan Tsu-tse, secretary for industry and commerce of the Hong Kong Government, has made clear his stand on the problem of the most-favored-nation treatment for China by the United States. He has tried to let the United States know the government's opinion, while the Hong Kong Trade Development Council will continue persuading U.S. congressmen through lobbyists, and ask

some well-known Hong Kong industrialists and businessmen who are about to depart for the United States to communicate with their U.S. counterparts.

Although it is not likely that the bill on canceling the most-favored-nation treatment for China will be adopted, Mr Chiu holds that from the economic viewpoint, this bill is very unwise, because even for the United States itself, the losing of a potentially great market in Mainland China means disadvantages rather than benefits for the U.S. economy.

### Denial of MFN Status Would Harm Business

HK1204071190 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0831 GMT 8 Apr 90

[Report: "If the United States Abolishes the Most-Favored-Nation Status Given to China, It Will Be a Disaster for Hong Kong Businessmen"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 8 April (ZHONGGUO XINWEN SHE)—Seto Fai, honorary chairman of the Chinese Manufacturers' Association of Hong Kong, said: some U.S. Congressmen intend to abolish the most-favored-nation [MFN] status given to China. If this becomes true, it would pose a serious threat to many industrial and commercial enterprises in Hong Kong. He called on Hong Kong industrial and commercial circles to pay close attention to the developments and urge the Hong Kong Government to present its views to the United States on the matter.

Seto Fai continued: Over the past few years there has been a sharp increase in the volume of commodities from the mainland to the United States transited through Hong Kong. Their gross value in 1989 topped \$9.25 billion, and this figure was larger than that of Hong Kong-made goods exported to the United States. A large proportion of the transit goods were produced by Hong Kong businessmen in cooperation with their partners on the mainland. They included textile products, toys, plastics, electric appliances, electronic wares, and shoes, and all were labelled with the tag "Made in China." For this reason, if the United States abolishes the most-favored-nation status given to China, it would certainly be a disaster for Hong Kong businessmen.

Seto Fai pointed out: Such damage would involve two sides and would also harm U.S. trade. China imports large quantities of grain, airplanes, and raw and semi-finished materials for its chemical industry from the United States every year. Once the United States imposes pressures on China, it will certainly purchase these things from other countries, then the United States will, no doubt, lose a good buyer.

Seto Fai believed that China's present political situation is stable and it is faced with economic difficulties but it is managing to overcome them. He hoped the United

States would take U.S.-Chinese relations into overall consideration, weigh the pros and cons, and not make an unwise decision.

#### **Basic Law Committee To Be Dissolved**

*OW1204025990 Beijing XINHUA in English  
0123 GMT 12 Apr 90*

[Text] Hong Kong, April 12 (XINHUA)—The Consultative Committee for the Basic Law (CCBL) of the Hong Kong Special Administrative Region founded four years ago will be dissolved before the end of this month.

The decision was announced here yesterday during the 35th meeting of the CCBL Executive Committee, the last meeting of the executive committee. A plenary meeting of the CCBL will be called on April 19 to decide the exact date for the dissolution.

The 400,000 copies of the Basic Law printed by the CCBL and distributed to Hong Kong citizens through hundreds of bank offices here have almost been run out. To meet the demand, the CCBL planned to print more.

The meeting also decided that before its dissolution, the CCBL will destroy all CCBL meeting documents, keeping as souvenir only the signature book (of those who had attended the meeting); send CCBL inscribed boards, banners and seals to museums in Hong Kong and Beijing; contribute part of its office equipment to the Macao CCBL and give part of its published reference books to the Hong Kong and Macao office under the State Council. The surplus funds of the CCBL will be returned to the donors according to previous agreements.

#### **Police Smash Major Heroin Ring**

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in English 11 Apr 90 p 1*

[Text] Narcotics Bureau detectives have broken up a major drugs syndicate they suspect smuggled hundreds of millions of dollars worth of high-grade heroin into the United States in the past three years.

Nine people, including four women, were rounded up in a territory-wide operation yesterday. They will appear in Central Court this morning.

Several area alleged to be significant figures in the syndicate.

Police have frozen 55 bank accounts totalling \$5.1 million, as well as eight companies under the control of those arrested.

The orders were made under the new Drug Trafficking (Recovery of Proceeds) Ordinance 1989.

Detectives have also taken over control of 15 flats and two houses in Kowloon and the New Territories as well as a three-storey restaurant in Yau Ma Tei.

Gold ornaments and jewellery worth about \$500,000 were also seized from safe deposit boxes.

A police spokesman said the action was a result of a prolonged financial investigation by detectives to identify and restrain the financial assets of the suspects.

The group is alleged to have been responsible for smuggling 109 kilogrammes of number four heroin from Hong Kong into the U.S. several years ago.

The shipments were worth more than \$500 million on the U.S. market.

A joint effort by the Narcotics Bureau and the U.S. Drug Enforcement Administration has resulted in the arrest of 14 heroin couriers in America, Australia, the Netherlands and Mexico since March 1986.

They are said to have worked for the syndicate.

Four men were arrested in Hong Kong in early 1988 after three separate seizures of number four heroin.

In September the same year, authorities in Boston seized high-grade heroin concealed in beansprout cleaning machines shipped from Hong Kong. The police spokesman said the two cases were connected with the same syndicate.

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